

# THE JERUSALEM POST

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## Iranians at Basra suburbs

By Jerusalem Post Staff and agencies

TEHERAN. — Iran announced yesterday that its troops were within 500 metres of the suburbs of the southern Iraqi city of Basra, which has long been a coveted Iranian target.

A military communiqué reported by the national news agency Irna said two islands near Basra were captured yesterday after heavy fighting.

Teheran radio said Iranian forces were positioned opposite a petrochemical complex, believed to be a fertilizer plant which has been closed for some time.

It said two Iraqi battalions had been wiped out, two brigades badly mauled and the command headquarters of two other brigades overrun in the assault on the two islands.

On the central front, where the Iranian regular army launched a smaller offensive north of Sumar, two Iraqi helicopters were shot down and 1,000 Iraqi troops were killed or wounded in a two-pronged attack the previous night, the communiqué said.

Irna added that Iraq used chemi-

al weapons against Iranian lines on the Sumar battlefield, injuring several soldiers.

Iran reportedly also sent its warplanes to bomb military and economic installations in Agra in northern Iraq and Ali-Sharghi southeast of Baghdad, as well as troop concentrations on the southern front, the radio said.

While denying the extent of Iranian gains, Iraqi President Saddam Hussein held a 10-hour meeting of his top army commanders.

Iraqi planes reportedly flew close to 300 sorties over Iran yesterday. The day-long raids by waves of Iraqi fighter-bombers was the fiercest blitz in the recent sharp escalation of the six-year-old war.

Iraqi field commanders yesterday repeated previous statements that their forces had stopped the Iranian advance towards Basra, destroying or putting out of action about 10 revolutionary guards divisions.

The Iranians claimed their forces had fired four missiles into Basra, which was also being pounded by artillery. Western diplomats in Baghdad reported that many civilians were fleeing the battered city.

But Iraq denied Iran's claims and said the Iranians were still pinned down in a 25-square-kilometre bridgehead around Fish Lake.

Baghdad maintained that Iranian claims to have captured the chain of islands were "unfounded and meant to cover up their defeat."

Iran's speaker Ali Akbar Rafsanjani has announced that the assault on Basra is not aimed at seizing but at "destroying Iraq's war machine" so that "grounds will be fully prepared for the destiny-making move" to defeat the Iraqi army and topple President Hussein.

The Pentagon has made arrangements to offer direct military assistance to Iraq in the event of Iran occupying Basra, according to an unconfirmed report in the West German magazine *Der Spiegel*.

However, Secretary of State George Shultz said on television yesterday that Washington was not taking sides in the war.

Western analysts estimate that the Iranians have suffered some 40,000 casualties since December 24, and the well-entrenched Iraqis around 10,000.



Police Minister Haim Bar-Lev, accompanied by Jerusalem District police commander Yosef Yehudai, yesterday visits the scene of Saturday night's stabbing of the Ohayon brothers. (Dan Landau)

## Man found with petrol bombs

# Capital's police guard against revenge actions

By MENACHEM SHALEV and HERB KEINON

Jerusalem Post Reporters  
Jerusalem was described by police sources as "tensely quiet" last night as large forces of Border Police continued to guard against possible acts of revenge following Saturday night's stabbing of Avi and Shalom Ohayon.

A 30-year-old Kiryat Yovel resident carrying five Molotov cocktails was arrested in a field between the Musrara neighbourhood, where the Ohayons live, and Damascus Gate. Late last night police were searching for two men, possible accomplices of the arrested man, who escaped from the area.

Meanwhile, the PLO yesterday claimed responsibility for the stabbing of the Ohayon brothers. In an unusually detailed statement issued through the Tunis-based Palestine News Agency, the spokesman of the PLO's Supreme Military Command described the victims as "agents of Israeli intelligence."

The spokesman said: "A number of agents of Israeli intelligence intercepted a Palestinian fighting unit, assigned to a mission in occupied Jerusalem, and tried to arrest some of its members. The Palestinian unit members stabbed two of the agents and one of them received serious injuries."

Police last night found an 18-year-old Arab who had disappeared earlier after a confrontation with Jewish youths in Musrara. He was taken to hospital, where he was treated for head wounds and released.

A police source said that "all in all the situation is calm, especially when compared to previous incidents."

Police have not yet traced the two suspects who stabbed the Ohayon brothers near Damascus Gate inside the Old City at 5:30 p.m. Saturday. The knives used in the attack have also not been found.

All of the 50 Arabs who were rounded up near the scene on Saturday night have been released. Several of them had been attacked as they made their way back to the Old City.

Senior defence sources said last night that the spate of recent attacks in the capital did not appear to be part of a coordinated campaign. They noted that the attacks were apparently carried out by rival organizations.

Prime Minister Shamir visited wounded Avi Ohayon at Bikur Holim hospital yesterday morning. Ohayon's mother and aunt complained to Shamir: "Are we not allowed to live in our own country? The Arabs are allowed to roam free-

ly in our stores and they do not get stabbed. But when we go to their places, we get stabbed."

Shamir tried to placate the irate relatives and said, "It happens because we are Jews."

The head of Bikur Holim's surgical department, Dr. Moshe Dudai, said that Ohayon should be discharged from the hospital tomorrow. Dudai said that it was "a miracle" that vital arteries had not been harmed.

Ohayon's brother, 17-year-old Shalom, is recuperating at Shaare Zedek's intensive care unit, following an operation on Saturday night. Shalom was stabbed deeply in the neck and needed several blood transfusions. His condition is described as "stable."

At a meeting yesterday between Jerusalem city councilmen and the government's special Ministerial Committee on Jerusalem, which was scheduled before the stabbings, Jerusalem mayor Teddy Kollek praised the residents of Musrara who, he said, "learned the lesson of the Shmuel Hanavi neighbourhood and acted with a great deal of restraint."

The Shmuel Hanavi area was the focal point of Jewish violence against Arabs following the Old City murder of yeshiva student Eliahu Amedi.

According to Police Minister Haim Bar-Lev, more policemen have been patrolling the Old City since the Amedi murder in November.

Earlier, Bar-Lev rejected charges that the police had not been present during the time of the attack, saying that two border police patrols had been in the area.

Bar-Lev said that the police was keeping an eye both on the Old City and on Musrara neighbourhood "so that our own extremists don't help the terrorists achieve their aims."

The East Jerusalem Chamber of Commerce has decided to issue a proclamation today condemning all acts of violence. But sources in the municipality expressed displeasure at the lack of a clear cut condemnation of the recent terrorist attack in East Jerusalem.

East Jerusalem merchant Nasser Abu Sneh said that business yesterday was suffering and that it usually takes about a month to recover after any violent incident.

"But Jews are not the only ones afraid of coming to the Old City. Look around you, there are not many Arabs either. They are also afraid; afraid that if there is another incident they will be attacked or called in for questioning."

## Hospital workers strike today

By LEA LEVAVI and JUDY SIEGEL

Food will not be prepared and wards will go uncleaned at the country's 33 governmental hospitals today as their 10,000 administrative and maintenance workers strike this morning.

They are calling for their salaries and work conditions to be aligned with those of Kupat Holim Clalit hospital workers, and are demanding assurances that they will not be the victims of personnel cuts by the Health Ministry.

The strike will also mean that no oxygen tanks will be filled, laundry washed or repairs carried out.

However, the deputy chairman of the administrative and maintenance workers, Moshe Argovish, said at a press conference yesterday: "We don't want anyone to die because of this. If something goes wrong with the oxygen system or electricity and

lives are in danger, the hospital management will discuss it with us and we'll allow them to call in an outside contractor."

The Health Ministry sent telegrams to the directors of all government hospitals yesterday, instructing them to evacuate non-critical patients, postpone elective surgery and shut outpatient clinics.

Informal meetings were held between representatives of the workers and the new ministry director-general Dr. Dov Golan yesterday, but no progress was reported.

Meanwhile, the organization of government doctors rescinded its threat to strike tomorrow after Finance Minister Nissim promised yesterday to meet with them. They are protesting against cuts in the budget.

The workers showed the press pay slips to prove that Kupat Holim staffers received two or three times more

money than they did for doing the same jobs.

The dispute goes back to 1972 when a committee was set up to achieve parity between hospital workers in the government sector and in Kupat Holim.

The committee has been paralyzed for the past year, Argovish said, and when they finally met last week the only offer the employers made was to lower Kupat Holim salaries rather than raise government workers' pay.

"The entire cut of almost 600 jobs [because of the reduced budget] will fall on our backs because agreements with doctors and nurses prevent them from cutting jobs in those sectors," Argovish explained.

Meanwhile, the one bright spot on the horizon is that the 2,800 hospital doctors have postponed their one-day strike, called for tomorrow, as the Finance Ministry has agreed to meet with them.

## Israel security firm denies aiding Contras

Jerusalem Post Staff

The owner of an Israeli company that exports security expertise last night denied a Reuters report that his company was involved in secret Israeli arms sales to the Contras via Honduras.

"We are a security firm, not arms salesmen," said Leo Gleser, co-owner of International Security and Defence Systems, which markets VIP and installation protection to countries and corporations.

In its report yesterday, Reuters quoted unidentified Honduran military sources as saying that two former IDF officers living in Honduras helped arrange secret Israeli arms shipments to the Contras.

The sources, who insisted on anonymity, said that Emil Sa'ada, who operates a melon growing farm called Acensa and Shemesh Agrotech, and Yehuda Leitner, an ISDS employee, were middlemen in deals dating back to 1984 which involved the arms shipments.

However, in the news agency report, Leitner denied the allegations and Sa'ada said they were lies. "I believe I am being scapegoated by arms dealers who want to damage my reputation," Leitner said. He also said he worked for Sa'ada, but Sa'ada claimed Leitner was not on Agrotech's payroll. ISDS confirmed that Leitner is their employee.

Israeli sources last night told The

Jerusalem Post that the Honduran accusations and the Reuters report "may be due to rivalry among several arms dealers and CIA interests in Central America, including Marcus Katz," a Mexican-Israeli with extensive contacts both in the Israeli military industries and in Central American governments.

A well-informed Israeli source said that the CIA has financed several American companies that act as conduits for CIA arms deals to the Contras, and that the pressure on the CIA over the Iran-Contra bank account deal has resulted in attempts by various organizations involved there to seek ways to "lower the heat on them."

## Deadlock in talks on Kupat Holim funding

By AVI TEMKIN

Post Economic Reporter  
The Treasury and the Histadrut failed yesterday to reach agreement in the negotiations over funding for Kupat Holim Clalit, leaving in doubt the signing of the package deal between the government, the labour federation and the private sector employers.

Finance Minister Moshe Nissim met last night with Histadrut secretary-general Yisrael Kessar, but the two failed to reach accord on the NIS 150 million which the Histadrut is demanding for Kupat

Holim. Kessar told reporters he would meet Nissim again on Tuesday.

Kessar said he had not yet signed the package deal because the funds for the Histadrut health fund were "part and parcel of the accord."

Nissim said after the meeting he would not deviate from the March 1986 accord between the government and Kupat Holim. He said he expected Kessar would eventually sign the package deal, and that wage earners would forgo the first 2.7 percentage points of the next cost-of-living allowance.

## Irish cool on compensation

By BENNY MORRIS

Israel's offer of compensation to the family of the Irish UNIFIL soldier accidentally killed by IDF gunners in South Lebanon earlier this week was not "received with enthusiasm" by the Irish government, sources said yesterday.

The sources said that the offer was conveyed to the Irish during Ambassador Yehuda Avner's visit to Dublin last week but the Irish, angry over

the killing, were neither mollified nor happy. The sources suggested that the family might even turn down the compensation, which was described by officials as "reasonable but not extravagant."

The sum offered is understood to be substantially smaller than that paid to the families of the victims of the USS Liberty, which was strafed by Israeli jets during the Six Day War.

## Sharon backer is head of Investment Centre

By AVI TEMKIN

Post Economic Reporter  
Industry Minister Ariel Sharon yesterday appointed Oded Shamir, one of his close political aides, to the post of director of the Investment Centre and announced his intention to appoint a second aide as deputy director-general of his ministry.

In the last few months Sharon has appointed a number of his supporters to senior posts in the Industry Ministry and government bodies and corporations under his authority.

Oded Shamir will replace veteran civil servant and ministry acting director-general Yoram Belizovsky, who was officially appointed ministry director-general.

The Industry Ministry announced that Yisrael Katz, another Sharon political aide, would be appointed Belizovsky's deputy. Katz was involved in internal Herut strife in past months and was one of the main organizers of the recent pro-Sharon meeting of Herut members.

Asher Wallfish adds: MKs from three different parliamentary factions asked Attorney-General Yosef Harish yesterday to

rule on whether two senior civil servants from the Likud's Herut wing violated civil service discipline by planning to plant Herut stalwarts in as many government departments as possible.

MKs Uzi Baram (Alignment), Yitzhak Artzi (Alignment) and Dedi Zucker (Citizens Rights Movement) cited last week's meeting of Jerusalem's Herut party branch, in which Yitzhak Kedmi, assistant civil service commissioner, and Tzahi Hanegbi, head of the Prime Minister's Bureau, took an active part.

The meeting was reported in the Jerusalem weekly paper *Kol Ha'ir*. One veteran Herut cabinet minister told The Jerusalem Post: "Uzi Baram's Labour Party first established the tradition of 'jobs for the boys,' and Labour set up party cells in almost all the ministries."

"It's all very well for people like Dan Meridor to call for moderation, but he's a Knesset member and not everybody can be a Knesset member. Our younger party members want to make their mark as economists, administrators or engineers in government service, and they want to translate their ideological beliefs into practical action. So we have to help them get ahead, in a sensible manner," the veteran Herut minister said.

## Kindergartens to close early today

Jerusalem Post Staff

Kindergartens will send children home at 11 a.m. tomorrow and Wednesday as the Histadrut Teachers' Union demonstrates the effect education budget cuts may have in the coming school year.

The steps are part of an attempt to dissuade the Knesset from approving the cuts, the union's secretary-general Yitzhak Weiber told Israel Radio yesterday.

Condolence visits to the distinguished philanthropist

JOSEPH GRUSS י"ד

who is mourning the passing of his wife

**CAROLINE ע"ה**

must be limited to the hours of 3:30 to 6:00 p.m. and not as advertised yesterday.

He is sitting shiva at the King David Hotel. The public is asked to refrain from visiting at other hours due to the state of his health.

The Organizing Committee

KAMENITZER YESHIVA OF JERUSALEM

deeply mourns the passing of

**CAROLINE GRUSS ע"ה**

Our sincerest condolences to MR. JOSEPH GRUSS AND HIS FAMILY

Rabbi Osher Lichtstein

Rabbi Yitzchok Scheiner

Roshel Yeshiva

To the eminent philanthropist  
Friend of Bikur Cholim Hospital, Jerusalem  
**Mr. JOSEPH GRUSS**

Sincere condolences on the death of your dear wife, the righteous

**CAROLINE ע"ה**

May you find consolation in the continuation of  
your good deeds and in building Jerusalem.

The Management  
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	MIN.	MAX.	
18.1.87			
AMSTERDAM	-13	-9	Cloudy
BRUSSELS	-13	-9	Cloudy
BIRMINGHAM	-13	-9	Cloudy
CHICAGO	-13	-9	Cloudy
COPENHAGEN	-13	-9	Cloudy
FRANKFURT	-13	-9	Cloudy
GENEVA	-13	-9	Cloudy
HELSINKI	-13	-9	Cloudy
HONG KONG	-13	-9	Cloudy
JOBURG	-13	-9	Cloudy
LONDON	-13	-9	Cloudy
MADRID	-13	-9	Cloudy
MONTREAL	-13	-9	Cloudy
NEW YORK	-13	-9	Cloudy
OSLO	-13	-9	Cloudy
PARIS	-13	-9	Cloudy
REIMS	-13	-9	Cloudy
SAO PAULO	-13	-9	Cloudy
STOCKHOLM	-13	-9	Cloudy
TOKYO	-13	-9	Cloudy
TORONTO	-13	-9	Cloudy
VIENNA	-13	-9	Cloudy
ZURICH	-13	-9	Cloudy

\*For the latest weather conditions contact Swissair.

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### THE WEATHER

Forecast: fair to partly cloudy

	Yesterday's Humidity	Yesterday's Min-Max	Today's Min-Max
Jerusalem	31	10-21	20
Golan	31	10-21	20
Nahariya	31	10-21	20
Safad	17	12-17	17
Haifa Port	26	15-24	24
Tiberias	44	14-24	24
Naqurah	22	12-22	22
Afula	34	4-24	24
Shomron	39	11-23	23
Tel Aviv	24	10-27	27
B-G Airport	17	6-29	28
Jericho	28	4-23	23
Gaza	73	12-29	27
Beersheba	9	10-28	28
Eilat	6	8-27	27

## Teenager in critical state after abortion

**SAFAD (Itim).** — A pregnant teenager is fighting for her life after an attempted abortion allegedly performed by a retired doctor. The 17-year-old, who is in her seventh week of pregnancy, was reportedly earlier turned away by a local abortion clinic.

On the advice of a co-worker at a local cafe, the woman went to the local clinic, but the doctor there apparently refused to treat her and referred her to his friend, a retired doctor who performed abortions in his home.

Shortly after being injected with an anesthetic, she had convulsions and stopped breathing. The doctor summoned an ambulance and she was taken to the local hospital, where her condition was described as critical.

## File against newsman closed

The Jerusalem district attorney has decided to close the file on the Jerusalem correspondent of the London *Evening Standard*, Bernard Josephs. He had been suspected of violating censorship by sending the story that was published in London about Mordechai Vanunu's allegation that he was abducted by Israeli agents in Rome.

Vanunu wrote this message on the palm of his hand and flashed it to reporters through a van window when he was brought to the Jerusalem District Court six weeks ago. The censor banned publication of the message, but the following day it was printed in the *Standard*.

The *Standard* editor, John Leese, said the story came "from an entirely different source and was compiled in London."

## Sharansky receives Golda Meir award

Natan (Anatoly) Sharansky was one of 35 recipients of the Golda Meir Scholarship Fund presented last night at the Hebrew University of Jerusalem.

The scholarship will allow Sharansky to resume his academic research, interrupted by his imprisonment in the Soviet Union.

Sharansky spoke at the ceremony, which was attended by Defence Minister Yitzhak Rabin. (Itim)

## HOME AND FOREIGN NEWS

### 'Peace desk' for Foreign Ministry

**By BENNY MORRIS**  
Post Diplomatic Correspondent  
A new peace "desk" is being set up at the Foreign Ministry, reflecting the thinking of director-general for political affairs, Yossi Beilin, who believes the ministry's main task should be the search for peace.

Speaking yesterday to diplomatic correspondents in Jerusalem, Beilin said that the ministry should be "a ministry for peace," with a *hasbara* (propaganda) policy to suit.

Beilin said that the new unit — to be established in the ministry's research division — would focus on peace and sift through utterances and gestures made in the Arab world whose purport was or could be pacific. He said that the budgets of other ministry units would be trimmed to finance the peace desk, and added that the division would be reinforced by a handful of personnel from outside the ministry.

Beilin met last week with Aipac leaders and asked them to adopt a more "moderate" stance in their pro-Israel lobbying and propaganda. He told them to stress Israel's struggle for peace rather than Arab recalcitrance and belligerence, and noted

that Steve Rosen, the director of Aipac's research department, emerged from the meeting "unhappy."

At yesterday's briefing, Beilin also said, "there is a great desire in (the U.S.) Congress" that Israel follow the Western European and American lead in imposing sanctions on South Africa.

Israel's relations with South Africa are currently under "basic review," he said. However, he declined to give details about the position paper recently produced by ministry experts on possible sanctions Israel could impose. The paper was submitted to Prime Minister Shamir and Foreign Minister Peres last week.

Beilin, who returned at the weekend from three days of talks in Washington with U.S. congressional leaders and administration officials, said that "all the senators and congressmen" he had met had raised the issue of South Africa — "not necessarily as the major subject of discussion, but raised by all in our meetings."

The Americans had not asked him

if Israel was selling arms to South Africa, he said.

Distinguishing between economic and cultural ties and the military sphere, Beilin indicated that Israel would only act, if at all, regarding the alleged Israeli-South African defence relationship, after Congress submits its report to the administration in April. The report is to identify countries enjoying American aid who have a military sales relationship with South Africa. The implied threat is that anyone continuing to sell arms to South Africa might suffer a cut-off of American aid.

Beilin said that the administration will have six months after the report is submitted to study its findings — during which time Israel can "act, if it becomes necessary."

Recent foreign press reports have stated that a number of Israeli arms systems — including Gabriel sea-to-sea missiles and the avionics of Kfir fighter planes — are produced under licence by South Africa. It is not clear whether such a "licence relationship" will be treated by Congress as equivalent to an arms export relationship with Pretoria.

### Levy: IDF strengthens the SLA

**By JOSHUA BRILLIANT**  
Post Defence Reporter

**TEL AVIV.** — The South Lebanese Army's recent setbacks have not led the IDF to seek alternative means of protecting Israel's northern border from terrorist incursions, Chief of General Staff Rav Aluf Moshe Levy said here yesterday.

Levy told reporters at Beit Sokolov that the IDF had instead sent more regular troops and equipment to build up the SLA in Southern Lebanon.

Levy acknowledged that the large number of attacks on the SLA had created a problem. Initial SLA successes in counter attacks had only led to more attacks. He estimated that some 300 of the SLA's 2,000-man force had quit recently, adding that these numbers were telling because they mostly involved soldiers in

front-line positions. Some deserters had excused themselves by saying they had to attend funerals, but others had disappeared without giving explanations, Levy said.

The manpower shortage had already forced commanders to withdraw troops from front-line positions. They were now considering closing permanently a few of the SLA's positions.

However, the combat skills of the remaining fighters reportedly leave a lot to be desired.

In the past week, 176 Lebanese joined the SLA, but Levy said most of them were soldiers who had deserted and subsequently changed their minds.

The force in the Druse-populated area had suffered several setbacks in the past when some of their positions

were occupied, but Levy said he did not feel that "we have had a problem there recently." A sort of *modus vivendi* emerged, and "they had found their own balance."

"They didn't get that excited over what had happened in Barashit," Levy said, alluding to a recent raid on an SLA position in which six men were killed and two were wounded.

A second SLA battalion, in the Ayshiye area, was holding its ground, despite the fact that its commander had been killed, and the enemy had entered one of its positions and attacked another.

There are problems with the two remaining battalions, one in the predominantly Shi'ite Taibe region and the other in the western sector, which has a mixed population and a Christian minority. In both areas most of the SLA force is not indigenous.

In some places, therefore, the IDF plays a more prominent role to offset SLA weaknesses.

Positions are being strengthened and more IDF units are in the area — albeit on a temporary basis, Levy said.

### First Wallenberg prizes awarded at TAU

**TEL AVIV (Itim).** — The first annual Raoul Wallenberg prizes for human rights and history were awarded yesterday at Tel Aviv University.

The prizes, worth \$1,000 each, were awarded to law school graduate Dafna Shraga, who is completing a doctorate in Geneva, and to history graduate Avihu Ronen, who is completing his doctorate at Tel Aviv University.

Swedish Ambassador Sven Hirdman participated in the awards ceremony, organized by the Sweden-Israel Friendship Society. Wallenberg was arrested by the Soviets on January 17, 1945. As a

Swedish diplomat during World War II, he helped to save tens of thousands of Hungarian Jews from the concentration camps. Although the Soviets say that Wallenberg died in prison, some believe he is still alive.

One of these is Efir Mushinsky, the former KGB officer who arrested Wallenberg in 1945 in Budapest and transferred him to Moscow. Mushinsky, who served in a KGB counter-intelligence unit during the war, came to Israel in 1965, and has recently published a book containing letters and material on Wallenberg.

### Press raps ban on names of suspects

**By MENACHEM SHALEV**  
Jerusalem Post Reporter

The country's press organizations lashed out yesterday at the government's proposal to ban publication of names of suspected legal offenders, saying that such a ban would place Israel "among undemocratic countries where freedom of the press is restricted."

The proposed law would make it a criminal offence to name a suspect under investigation or detention until 30 days had elapsed or the suspect had been charged in court.

The organizations, comprising the Press Council, the Editor's Committee, the Association of Journalists and the Association of Daily Newspaper Publishers claimed in a statement yesterday that the law, if passed, would injure rather than protect the innocent.

The law would cause a flurry of rumours about arrests which the press would be barred from denying, the statement said. It could also thwart a suspect's defence since people may be unaware of proceedings against him and may not come forward with information on his behalf.

"If it were not for the free press," the declaration added, "the public would be unaware of many scandals, as has been proven lately." The law could assist people in public positions to manipulate their connections in order to prevent an investigation against them.

"Publication in the media is the most effective guarantee that such people will be brought to trial. The damage to innocents will be averted by the avoidance of false arrest, not by non-publication of their arrest."

The press organizations called on the government and the Knesset to withdraw the draft law "and to allow the press and the media to fulfil their public duty."

### Arab diplomat mooted

Israel intends to appoint an Arab as head of one of its diplomatic or consular missions abroad, a senior source said yesterday.

The source said that while it would be "justified" to appoint a Druse to such a post, Druse have already served in diplomatic positions. He indicated that the forthcoming appointment would not necessarily be at ambassadorial level.

### Caroline Gruss laid to rest

**Jerusalem Post Reporter**

The funeral of Caroline Gruss, wife of the American financier-philanthropist Joseph Gruss, was held yesterday at the Mount of Olives cemetery in Jerusalem. She died last week in the U.S. and was buried next to the grave of Aliza Begin. She was 75.

Joseph Gruss, a major donor to educational and charitable organizations in Israel and the U.S., was met at Ben-Gurion Airport upon arrival yesterday by Rabbi Eliezer Shach, the venerable former Aguda leader and head of the Ponevezh Yeshiva in Bnei Brak. He was driven to the funeral in Rabbi Shach's limousine.

Caroline and Joseph Gruss married in 1934 in Lwow, Poland, where she had studied law and he was a banker.

When the Germans invaded Poland five years later, Gruss was in the U.S. on a business trip. He succeeded in rescuing his family and getting them to New York, where he quickly established himself in the

financial world, becoming a member of the New York Stock Exchange.

The Gruss family also established itself as a major source of philanthropy. According to *Town and Country* magazine, the family has donated more than \$100 million to various charities and educational institutions in Israel and the U.S.

In New York, Joseph and Caroline Gruss became principal donors to Yeshiva University, matching the yearly allocation to that institution of the Federation for Jewish Philanthropies.

Israel is studded with institutions that have received Gruss donations. Dr. Yehoshua Rotenstreich, the jurist, told *The Jerusalem Post* yesterday. Rotenstreich and Caroline Gruss were law school classmates in Lwow. The universities, the Israel Museum, Yeshivot, post graduate religious seminaries, community centres, libraries and museum collections all over the country received generously from the Gruss family, he said.

### HU plans to dismiss 500

The blueprint of a recovery programme eliminating over 500 administrative, technical and academic positions was presented yesterday by the

president of the Hebrew University of Jerusalem to the executive committee of the university's board of governors.

In great sorrow we announce the passing of our uncle and brother-in-law

**FRANZ JOSEPH DEUTSCH**

The funeral will leave today, Monday, January 19, 1987 at 2:30 p.m. from the Municipal Funeral Parlor, 5 Dafna St., Tel Aviv, for the Holon cemetery.

The Bereaved Family

In great sorrow we announce the passing of my beloved wife, our dear mother and grandmother

**YVETTE** י"ט

daughter of Solomon Cohen

The funeral will leave today, 18 Tevet 5747 (Jan. 19, 1987) at 12 noon from the Sanhedria Funeral Parlor, Jerusalem, for the Har Hamezuz cemetery, Givat Shaul.

The Bereaved: Her Husband: David Meir Cohen  
Her daughters: Jody Brown and family  
Elena Israeli and family  
Dalia Israeli and family  
Her sisters: Emmy Wineberg and family  
Shelly Cohen and family

**BETTY**

the beloved wife of Lutz,

passed away peacefully in Johannesburg on January 17.

Deeply mourned and sadly missed by:

Lutz of Ahuza, Haifa

**BETTY**

the beloved wife of Lutz,

passed away peacefully in Johannesburg on January 17.

Deeply mourned and sadly missed by:

Jack and Lena and family, South Africa  
Trudy and Solly and family, Ramat Hasharon

With deep sorrow, we announce the death of

**GLADYS SCHAFFER**

Deeply mourned by her husband, Walter  
Children, Dona, Herman and Benjamin  
Grandchildren and family.

Funeral today, Monday, January 19, 1987, at 10:30 a.m. at Kfar Samir cemetery, Haifa.

With sorrow, we announce the passing in Cincinnati of

**CELIA S. SINGER**

wife of the late M. Meyer Singer

Her sons: Daniel Singer, Jerusalem/Kiryat Tivon  
David Singer, Los Angeles

January 16, 1987.

The Weizmann Institute of Science and the Staff of the Department of Membrane Research express their condolences to

Prof. S. ROY CAPLAN on the death of his

**Mother**

On the thirtieth day after the passing of our beloved

**SIMON AUBREY**

**THE WIZO MOVEMENT** deeply mourns the passing of

**CAROLINE GRUSS** י"ט

a great builder of UJA Women's Divisions and benefactor to children, youth and women in Israel.

We extend our heartfelt condolences to

The Jerusalem College of Technology mourns the passing of

**CAROLINE GRUSS**

and extends its sincerest condolences to Mr. JOSEPH GRUSS and his family.

Professor W. Z. Low, Chairman of the Board of Governors Zvi Weinberger, President

The Torah Education Department of the World Zionist Organization mourns with Reb JOSEPH GRUSS



## International media heads establish anti-censorship fund

LONDON (Reuters). — Media publishers and editors from 39 countries agreed yesterday to create a fund to challenge censorship in court and to set up a hotline to help journalists subjected to harassment.

The agreement was reached at the end of a two-day meeting here which discussed ways of combating press censorship around the world and of helping those in jail or in trouble because of their reporting.

The conference, the first of its kind devoted entirely to problems of censorship, was sponsored by the World Press Freedom Committee, which groups 32 news organizations in five continents.

Participants backed a final declaration condemning what it called the growing use of force by governments and criminal forces seeking to intimidate the news media.

"When censorship applies anywhere, it restricts access of the public

everywhere to full knowledge of events. We intend by this meeting to help create an atmosphere in which censorship is recognized for what it is — a denial of human rights," a conference document said.

The document, called the Declaration of London, said borders should be open to foreign journalists to travel freely in each country and have access to official and unofficial news sources.

The resolution called for the creation of a "fund against censorship to support legal challenges to censorship measures and to other abuses of press freedom."

Delegates pledged to keep up the fight against censors by compiling lists of governments that muzzled the press.

The declaration supported the idea of sending fact-finding missions to countries with strict press regulations, and said the first of these would try to visit South Africa.



Philippine Moslem rebel fighters come down from their camp to join their leader in Cotabato City for ceasefire talks with government emissary Aquilino Pimentel after five days of fighting on Mindanao island. (Reuters telephoto)

## Moslem rebel gives Aquino peace pledge

COTABATO, Philippines. — President Corason Aquino flew to troubled Mindanao yesterday and received a pledge of peace and a flower from a Moslem chieftain who led a five-day uprising against the government.

Dismissing reports of a new army plot against her in Manila, Aquino held rallies in two Mindanao cities as she pushed her riskiest campaign to date for ratification of a new constitution.

In Cotabato City, Aquino held a 10-minute meeting with Moro Islamic Liberation Front (MILF) leader Haji Murad.

Murad, who agreed to a temporary ceasefire, told reporters: "We presented her with a flower as a symbol of peace and gave her our position paper. We are pinning our hopes on her."

The MILF is seeking autonomy for Mindanao, the second largest Philippine island, which has a long history of Moslem-Christian clashes.

In Jeddah, MILF head, Salamat Hashim, endorsed the ceasefire, but said, "It is only of temporary nature," until the Philippine government accepts the MILF demands, the Saudi Gazette newspaper reported. (Reuters/AP)

## Dr. Spock arrested in anti-nuclear protest

CAPE CANAVERAL (Reuters). — More than 100 anti-nuclear protesters, led by doctor-author Benjamin Spock, were arrested on Saturday when they invaded Cape Canaveral air force base in a demonstration against the Trident-2 nuclear missile.

Spock, an 83-year-old pediatrician and veteran peace activist, and his wife, Mary Morgan, were among the first of 138 protesters to scale the three-metre fence and were promptly arrested for trespassing, authorities said.

## BBC shelves TV programme on 'secret defence project'

LONDON (AP). — The British Broadcasting Corporation confirmed yesterday that it has shelved a television programme which reportedly claims a £500 million defence project is being kept secret from parliament.

While the BBC said it withheld the programme on national security grounds, the opposition Labour Party said it suspected the corporation succumbed to political pressure.

The weekly Observer newspaper said the programme uncovered a top-secret defence project withheld from parliament despite rules requiring all projects costing more than £200m. to be reported to the House of Commons.

It did not give any details about

the alleged project, but said it was prepared by Duncan Campbell, a left-wing investigative journalist who specializes in defence, as part of a six-programme series called "The Secret Society" that was to have been aired last November.

The series has been delayed. George Foulkes, a Labour party foreign affairs spokesman, claimed the BBC's decision was dictated by "the bullying tactics" of Norman Tebbit, chairman of the ruling Conservative Party, who triggered a dispute over media freedom last year by accusing the corporation of being biased against the government.

As a result of that accusation, Foulkes said, "the BBC is much more susceptible to any kind of pressure from the government."

## U.S. envoy in Pakistan for Afghan talks

ISLAMABAD (AP). — A top U.S. envoy conferred with Pakistani officials yesterday on efforts to end the Afghan conflict, but American officials said they had no plans for talks with a senior Soviet official in Islamabad on a similar mission.

U.S. Undersecretary of State Michael Armacost met with Pakistani Foreign Ministry officials to review the Afghan government's call for a ceasefire and national reconciliation to end the eight-year-old conflict. The U.S. and Pakistan are the main backers of the Afghan Moslem guerrillas fighting the Communist government.

U.S. and Pakistani officials declined to give any details on the talks, scheduled to continue today. But Armacost, in an interview with the Pakistani state radio, later described the talks as excellent. He said the two sides had reviewed their positions on Afghanistan and were carefully studying recent developments.

"We are considering the new developments arising out of the Soviet initiative and the steps being taken by the Kabul government in the Afghanistan problem," he was quoted as saying.

Talks between Soviet First Deputy Foreign Minister Anatoly Kovalev and Pakistani officials were called off yesterday, according to official sources who asked not to be identified, and have been rescheduled for today.

The Afghan government put a unilateral ceasefire into effect Thursday as part of its call for national reconciliation. Guerrilla leaders rejected the government offer as a political trick to deceive international opinion and legitimize communist rule.

American sources said Armacost was reviewing the recent political developments with Pakistani officials to determine their value. Pakistani officials have cautiously welcomed the offers from Kabul and Moscow, but said they must be translated into action in the form of a swift Soviet withdrawal from Afghanistan.

## Capture of Basra port city would be major set back for Iraqi government

NICOSIA (Reuters). — Iraq's shell-pocked southern port of Basra, long within earshot of the Gulf War, is now on the front line under threat from Iranian forces.

Iran said today its troops had pushed within 500 metres of the suburbs of Iraq's second-largest city, a key commercial centre just 20 kilometres from the Iranian border.

Iraq denied this, but pressure is mounting on Basra, which commands the main road from neighbouring Kuwait northwards to the capital Baghdad and is close to one of Iraq's richest oil fields.

The city, now with a population of one million, was founded 13 centuries ago along an ancient caravan route and sits on the palm-lined banks of the Shatt Al-Arab waterway just downstream from the confluence of the Tigris and Euphrates rivers.

Military analysts say Basra is the obvious strategic objective for Iran. The collapse of its defences would be a major setback for Iraqi President Saddam Hussein.

Iran's parliamentary speaker Ali Akbar Hashemi Rafsanjani said on Friday the aim of the current Iranian offensive launched 10 days ago was not to seize the city, but to "settle accounts with Iraq near Basra."

The city has been shelled frequently since the outset of the war in September 1980 and barrages have intensified

in the latest flare-up. Basra's main hotel was hit by artillery fire and partly damaged, diplomats said. The \$150-a-night Sheraton, a city landmark, is popular with Iraqi army officers and the few remaining foreigners.

Travellers say the city, a sprawling untidy expanse of low brick houses, houses a huge army camp. Military vehicles are everywhere and government buildings are protected by walls of sandbags.

Military analysts doubt whether Iran would risk an all-out attack on Basra which could result in high casualties. But some say Iran could choose to dig in around the edges and fire on the city at will.

They say this would give Iran a big psychological advantage and could soon drive inhabitants out. Diplomats report an increasing exodus since the latest offensive began.

The majority of Iraqis around Basra are Shi'ite Moslems — like the majority in Iran — while Sunni Moslems are dominant around Baghdad. Hussein is a Sunni.

Diplomatic sources say a major Iranian victory would be unsettling to the Islamic summit to be hosted in Kuwait later this month. Iran said it will boycott the summit because Kuwait, which supports Iraq, is not a neutral venue.

## Businessman seen hostage for hijacker

## W. German kidnapped on arrival in Beirut

BONN. (AP). — Authorities yesterday confirmed a West German businessman, Rudolf Cordes, was kidnapped in Beirut, but said it was too early to tell whether he was seized to win the release of a suspected Lebanese terrorist arrested in Frankfurt last week.

But the Hamburg newspaper Der Bild said senior government officials fear the kidnapping may be aimed at blackmailing West Germany into releasing Mohammad Ali Hamadi, one of the suspected hijackers in June, 1985, of a TWA airliner en route from Athens to Rome.

Hamadi, 22, was arrested in Frankfurt last Tuesday after arriving on a Middle Eastern Airlines flight from Beirut.

The U.S., which is seeking Hamadi's extradition for the murder of an American passenger on the hijacked plane, yesterday assured West Germany it would not seek the death penalty for the suspected hijacker.

Under West German law, he

could not be extradited to the U.S. unless Washington guaranteed he would not be executed.

Foreign Ministry officials in Bonn said an anonymous telephone caller told the West German Embassy in Beirut that Cordes, 53, was abducted shortly after arriving in the Lebanese capital Saturday. The caller did not identify himself, nor make demands, the ministry said in a statement. Press reports said Cordes passed through passport control, and vanished.

Ministry spokesman Reinhard Betzuege said it was too early to tell whether Cordes' kidnapping was linked to the Frankfurt case.

Ministry sources, speaking on condition of anonymity, said Bonn authorities last week warned West Germans living in Beirut or travelling there to take extra precautions.

## Indian appointed temporary judge in South Africa

JOHANNESBURG (AP). — An Indian attorney who was once banned for five years has been appointed a temporary judge in the Natal Supreme Court, the first non-white person to act as a judge in South Africa.

"It's just a temporary thing. I don't think it should be blown out of proportion," said Hassan Mall, 64, in a telephone interview from his home in Durban.

"People are suggesting this is the first step to a judgeship and so forth, but there is no commitment on the part of the authorities that I will be offered a permanent position and no commitment on my part that I would accept such a position," he said.

Mall will serve on the Durban bench of the Natal Supreme Court for the month of February, replacing a judge who is on leave. "At the end of February I'll be back in my chambers, conducting my normal practice," he said.

## IN BRIEF

### U.S., Libya to make up after Reagan - Gaddafi

MADRID (Reuters). — Libyan leader Muammar Gaddafi was quoted as saying there could be a rapprochement with the United States after President Ronald Reagan leaves office.

"If Reagan were not in power there might be a rapprochement between our two people," Gaddafi was quoted as saying in an interview with the Spanish magazine Epoca: "I am doing everything possible to achieve this."

### Fact-finding mission

BEIRUT (AP). — April Glasby, director of the U.S. State Department's desk for Lebanon, Syria and Jordan, began a fact-finding mission in the Middle East here on Saturday. During her three-day visit, Mrs. Glasby, 40, will meet with political and militia leaders, before proceeding to Damascus.

### Iraqi says U.S. gave false intelligence

AMMAN (AP). — A senior Iraqi official confirmed in an interview yesterday that Washington supplied Baghdad with misleading intelligence reports to prolong the Gulf War. Deputy Prime Minister Taha Yassin Ramadan said in an interview with the English-language Jordan Times daily that the U.S. actions were "premeditated design" to reassert America's influence in the region.

### Italian artist Guttuso, 75

ROME (Reuters). — Renato Guttuso, one of Italy's leading contemporary painters, died at his home yesterday at the age of 75, friends said.

Guttuso was associated with anti-fascist groups in the 1940s and was a former member of the Senate for the Italian Communist Party.

In 1972 the Soviet Union awarded him the Lenin Prize for peace.

## 78 Sikhs held in temple raid

AMRITSAR (AP). — Indian security forces stormed hotels in the Golden Temple complex here and arrested 78 Sikhs, including suspected extremists, police said yesterday.

The state police control room in Amritsar said the raid late Saturday night was carried out by 150 federal paramilitary troops and state police who raided 230 rooms in four rest houses adjacent to the temple.

The United News of India, quoting police sources, said security

forces broke open the locks of several rooms and seized letter pads belonging to the major terrorist group in Punjab, the Khalistan Commando Force.

The buildings are not part of the holiest central part of the sprawling temple and are separated from it by an alley.

UNI said the four-hour raid was carried out on the basis of a tip-off that terrorists or terrorist sympathizers were present.

## Thousands of Soviet energy officials fired, disciplined

MOSCOW (Reuters). — Thousands of Soviet energy officials were sacked or disciplined for embezzlement and bribery in 1985 and the first half of 1986, a senior energy official said yesterday.

Sergei Kolmakov, deputy chairman of the State Committee for Petroleum Products Supply, said more than 7,000 people working for the committee had been disciplined, 8,365 had "compensated" the state

for their crimes and 663 had been sacked.

Kolmakov, whose comments were published in the latest edition of the weekly Ekonomicheskaya Gazeta, said a whole range of crimes had been uncovered, but he gave no details.

Figures issued Saturday showed gas production in 1986 reached 680 billion cubic metres, 17 billion cubic metres more than planned, and oil production rose to 615 million tons from 595 million tons in 1985.

Tass yesterday reported the dis-

missal of eight managers from a Ukrainian coal mine where a methane gas explosion caused a large number of deaths last month and said they face criminal proceedings.

It said a special investigating commission set up after the accident at the Yalynovskaya-Glubokaya pit in the Donbass region December 24 found that "gross violations of safety rules" caused the explosion which "took many lives."

The sacked managers included the mine's head of technical safety and the chief engineer.

## THE HEBREW UNIVERSITY OF JERUSALEM

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ON

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# Education cuts equal more school violence

By LEA LEVAVI  
Jerusalem Post Reporter  
TEL AVIV. — Cuts in the education budget may mean more violence and vandalism in schools, an educational sociologist has warned.

Dr. Tamar Horowitz, a lecturer in education at Ben-Gurion University and a researcher at the Szold Institute in Jerusalem, told educational psychologists at a study day on teenage violence that fewer counsellors and more crowded classes could increase vandalism and violence.

"The guidance counsellor or psychologist is not simply the person

who provides one-to-one treatment to troubled youngsters," she said. "He or she is also the person who alerts the principal to problematic groups, and advises on what action to take."

Israel has an extremely low drop-out rate, she said, with only 10 per cent of the 14- to 18-year-olds out of the school system. This is laudable, but it also means the system has to cope with emotionally disturbed children who put an additional burden on the treatment and teaching staff.

Incidents of vandalism and violence related to frustration in school or anger with school staff have actually dropped in the last five years, she said, because principals and teachers have learned to create a better school climate.

Five years ago, teachers would tell me proudly that they had lowered a pupil's grade in an academic subject because of poor conduct. Today, they know it's important to keep the two things separate.

If there is less money, however, some of these accomplishments may be wasted because there will be less staff with bigger work loads and less

time and patience for the niceties. Prevention and treatment — whether classes on how to solve interpersonal problems non-violently, or individual help for a troubled child — are necessary but not sufficient, she said.

"If you don't want a broken door to be damaged further, have it fixed. As long as it's not repaired, it will tempt pupils to break it more. Windows and doors built of sturdier material would also be a good idea — as would acoustic ceilings to deal with the noise level." All this, however, costs money.

Where schools have been less successful, she said, is in dealing with interpersonal violence caused not by factors within the school itself but by societal or family problems.

Violence has also spread outside the school, to discotheques and other leisure centres, she observed.

Prof. Shlomo Shoham of Tel Aviv University, who is a criminologist, psychologist and philosopher, wondered what you can say to burglars in Ramle prison when their combined illegal takings come nowhere near what Ernest Japhet gets.

"How can we pass on to our children norms which we ourselves don't take seriously?" he asked.

Educational psychologist Hanah Karmon, moderator of the study day, asked the same question in a different way. She said children receive conflicting messages from society.

"What is the message a two-year-old gets if his vocabulary includes Mommy, Daddy, water and strike? I asked my own 15-year-old daughter if she thinks school strikes contribute to violence in schools. She didn't know, but she said the one thing she does know is that 'you psychologists don't strike because you're powerful'."

Violence on the playground (David Rubinger)



## אִשֶּׁת חַיִּל מִי יִמָּצֵא

A woman of valor who can find?

Proverbs 31:10

## IN MEMORIAM Mrs. Caroline Gruss

The New York Jewish community is deeply saddened by the death of Mrs. Caroline Gruss. Together with her husband, Mr. Joseph S. Gruss, she exemplified the highest devotion to the Jewish principle of *Tzedakah*. The driving force of her life was her commitment to Jewish education. She knew that only through education could the Jewish people continually renew itself and preserve its heritage from generation to generation.

Through the creative vision of Mr. and Mrs. Joseph S. Gruss, Jewish education in New York has been strengthened and enhanced. Untold thousands of Jewish children, their teachers and their schools have been enriched by their extraordinary generosity.

This *eishet hayil*, this woman of valor, will be remembered always as a modern day matriarch, a proud successor to Sarah, Rebecca, Rachel and Leah. To her husband, Joseph; to her children, Martin and Evelyn; to her grandchildren and to her entire family, we offer our deepest sympathies. May they be comforted among the mourners of Zion and Jerusalem.

## Chich and the kippot in school

### You wouldn't expect it in Tel Aviv

It was the kind of thing you'd expect to hear in Jerusalem. In Bnei Brak it would be obvious. But Tel Aviv? Capital of Israeli secularism, bastion of live-and-let-live religious politics, home of a mayor who helped found a party that was supposed to give new meaning to the Israeli use of the word liberal?

According to an *Ha'aretz* report yesterday morning, Mayor Shlomo "Chich" Lahat had decided to compel Bible students in city-run schools to wear *kippot* during the lessons. It was enough to make one — momentarily at least — forget Iran or Japhet, Jerusalem or economics.

It was the kind of story Tel Aviv reporters love about Chich — headstrong and shooting from the hip.

But, according to City Hall spokesman Benny Cohen, it turns out that Lahat didn't exactly say that he wanted to make the *kippot* compulsory. He wasn't even at the annual meeting of the Tel Aviv city education committee, which is headed by the Yosef Burg of Tel Aviv, Haim Basok, a perennial deputy mayor who holds the education portfolio for the NRP in City Hall.

Basok ended the committee meeting by asking the assembled members, "What do we all think about *kippot* in Bible classes?" The obvious response was, "Sure, why not?" What can you expect from city councillors who last month donned

Tel Aviv Tel Aviv  
Robert Rosenberg

*kippot* for a Talmud study session at City Hall in memory of the late Ashkenazi chief rabbi whom they haven't been able to replace because they want women on the electoral college that chooses the rabbi?

Not that Chich isn't interested in what Cohen called "the respect that wearing a *kippa* during Bible classes signifies." According to Cohen, Lahat is "pro-*kippa* and anti-coercion," which is consensus politics in Tel Aviv where teenagers are more interested in the gossip surrounding a stabbing in a discotheque than they are in the significance to be found either in the Bible or in how politicians make use of it.

Teens don't vote, but parents, daily losing their grip on their kids, are always in favour of a little respect, even though *hutzpa* is probably more useful when you're trying to get on a No. 5 bus outside Dizengoff Centre at seven in the evening.

Lahat's reasoning goes like this: Wearing a *kippa* in Bible class would — so to speak — create an educational hook on which to hang the religious hat.

But Lahat is not in favour of "forcing anybody to wear a *kippa*," said Cohen, horrified at the thought that anybody would suspect his boss — who, according to his spokesman — has always been in favour of *kippot* in Bible classes — of such inconsistent thinking for a liberal.

"If — and I say if — it would happen, it would be like a gym teacher saying that gym suits are required, but if you don't have a suit you'll still be able to do the exercises, and nobody will hold it against you."

It's doubtful there's ever been a gym teacher so reasonable, and Basok probably won't be happy with the analogy, which seems to indicate a somewhat Hellenistic approach — healthy souls in healthy bodies, etc., etc., etc.

But Basok isn't hot and bothered enough to turn the *kippot* issue into a big deal.

The last thing that goes over well in Tel Aviv, where Friday night is the big night out, is something that resembles religious coercion. Basok's happy with his annual meetings where, like all good parents, everyone is interested in a little respect, for the record.

And meanwhile, the Education Ministry has announced that there's a rule against requiring the wearing of *kippot* — which will probably create a whole new controversy.

## Sri Lanka gets medical aid from Israel

COLOMBO (LNA). — An Israeli has become the first non-Briton or non-Indian to serve as a medical examiner in Sri Lanka, indicating a further thaw in relations between the two countries.

Sri Lanka broke off diplomatic ties with Israel in 1970. Prof. E.A. Rahmlewitz of the Hadassah Medical Organization and a world authority on hematology, is on the panel conducting the final examination in hematology of post-graduate students.

In an interview with the state-owned *Daily News* Rahmlewitz is quoted as advising the Sri-Lankan Post-Graduate Institute of Medicine to "break the tradition" of sending doctors to Britain for their graduate studies.

The newspaper said Rahmlewitz listed several good reasons why Lankans might continue their studies in Israel — the main one being that it is much cheaper than in the west.

"Our economic problems have enabled us to devise a cheaper system of administration and our model could

suit your country very well. It would then be up to the Lankans to adapt what they learn to suit their country," the Israeli professor told the *Daily News*.

Rahmlewitz, in discussions with Dr. Shelton Cabral, head of the Institute of Medicine here, worked out the possibility of an exchange programme between the two countries.

The newspaper said Rahmlewitz views this programme as a way of strengthening Israeli-Sri Lankan relations which he described as already "rolling."

Sri Lanka has regularly sent injured soldiers to Israel to be equipped with artificial limbs and for specialized treatment. When the soldiers, casualties of the war with the Tamil separatists, return from Israel, the press here gives them wide coverage, and they are often visited by Lankan officials including the prime minister. Diplomatic observers see this as officially recognizing Israel's medical assistance.

## Japhet pension in high court

Jerusalem Post Staff  
The High Court will hear a petition against the severance pay and pensions granted to former Bank Leumi officials Ernest Japhet, Baruch Yekutieli and Yosef Rosh. The petition was filed by two Jerusalem attorneys.

The petition is against the Jewish Agency, Bank Leumi, the Jewish Colonial Trust, Japhet, Yekutieli and Rosh, and asks that the payments be cancelled because they are contrary to the interest of the bank.

## IDF may accept victims of Aids

Post Defence Reporter  
TEL AVIV. — In "special cases," the IDF will "consider" accepting Aids victims who volunteer to serve in its ranks, according to a report in the latest issue of the army weekly, *Bamahaneh*.

The article quotes outgoing IDF chief medical officer Tal-Aluf (Res.) Moshe Revah as saying that Aids victims will be exempt from conscription but "in special cases it will be possible to consider volunteering."

The report did not stipulate who would qualify as "special cases." The general message was that the IDF would continue drafting homosexuals, even though the first case of Aids in the army has been detected.

"It was just a question of time before the first sick soldier was identified," Revah said. The soldier is being treated "like someone suffering from any other disease defined as endangering health."

The army is not reconsidering its recruitment policy because of the case.

## Jewish unemployed rising in Greater New York area

NEW YORK (JTA). — At least 55,000 Jews in the Greater New York area are unemployed, and the actual number could be twice as high. Most of them are college graduates and middle-level managers.

Prof. Herbert Biensstock, who conducted the two studies on which these figures are based, said that the number of Jewish unemployed could rise unless job-training and job-creation programmes are strengthened.

Biensstock is the director of the Queens College Centre for Labour and Urban programmes, Research and Analysis. He conducted the studies for the Jewish Community Federation Employment and Guidance Service (Fegs).

He warned that the figures are conservative. They include only persons registered at the federal employment centres, not part-time workers, recent college graduates or

people who have given up looking for work.

Biensstock said the total number of jobless or underemployed Jews in the metropolitan area — New York City and Westchester, Nassau and Suffolk counties — may be as high as 160,000, with 105,000 in the city's five boroughs.

Biensstock also noted that the Jewish unemployment rate in the area is below the 6.1 per cent rate for the general population.

Biensstock's other study, a still unpublished demographic report based on interviews with 600 Jewish clients, most of them adults who sought assistance from Fegs in 1985, showed the following preliminary findings: about 30 per cent of them have management backgrounds, another 35 per cent have clerical experience, and about 8 per cent are manual workers. The remaining 27 per cent are classified as "miscellaneous."

## Use your city plot or else...

By ASHER WALLFISH  
Post Knesset Correspondent  
If you own an empty lot within a municipal area, and do nothing with it, you might find a letter in your mailbox one morning telling you that the city intends to turn it into a car park or a public garden.

This alarming prospect would result from a private member's bill sponsored by MKs from three different factions, which the Knesset Interior Committee approved yesterday for return to the plenum for its first reading.

The proposal would empower the mayors of cities and the chairmen of local councils to take over empty lots for a five-year period, either to ease

the shortage of parking in their municipalities or to keep the lot from being used for illegal building or dumping garbage.

The owner of lots that municipalities want to take over would have 60 days to appeal to court against the takeover. They would also have the statutory right to demand compensation for any financial damage incurred during the five years or afterwards.

The three sponsors are Dov Ben-Meir (Alignment), a deputy mayor of Tel Aviv; Ovadia Eli (Likud), the mayor of Afula; and Mordechai Virshupski (Shinui), a former legal adviser to Tel Aviv Municipality.

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United Jewish Appeal-Federation of Jewish Philanthropies of New York

سكوا من الأصل



## China

Hu's Ouster Raises  
Troublesome Questions

CHINA'S sweeping economic reforms of the last few years had raised hopes that political liberalization would follow. For some Chinese, the hopes were personified by Hu Yaobang, the General Secretary of the Communist Party, who was expected to succeed Deng Xiaoping.

Last spring Mr. Hu, arguing that modernization of the economy could not proceed without loosening the party's tight control, began a debate on the need for greater democracy. "Let a hundred flowers bloom," he said, pledging there would be no reprisals against those who spoke out, as there had been two decades earlier, when Mao Zedong issued a similar call.

But Mr. Hu angered hardliners, and his call sparked demonstrations by students who wanted greater freedom.

Last week he paid the price. In a stunning move, Mr. Hu was forced to resign by the party's ruling Politburo and was replaced as acting General Secretary by Prime Minister Zhao Ziyang, a 67-year-old technocrat who has been in charge of the recent economic changes.

Despite assurances last week by both Mr. Deng, who is 82

years old, and Mr. Zhao that the economic overhaul would continue, Mr. Hu's ouster raised a series of troublesome questions.

Did it mean that Mr. Deng had lost power to the conservatives? How far would Beijing now go in rooting out allies of Mr. Hu who espoused what was being derided as "bourgeois liberalism"? Already there were unconfirmed reports that Deng Liqun, a hardliner, had been named head of the Party Propaganda Department.

Alternatively, did Mr. Deng decide that Mr. Hu was not good enough to succeed him and return to a more active role? Mao did this several times, removing his choices as successor and throwing China into turmoil.

Whatever the answer, Mr. Deng seems to have undone his own most important achievement — arranging for an orderly succession — and to have sent a chilling message to intellectuals on whom the country's modernization depends. "I think this shows it's very hard to reform a Communist state," said Merle Goldman, a professor of Chinese history at Boston University. "You can only go so far, and then they stop you."

FOX BUTTERFIELD

Facing a  
Deadline

President Reagan with Max M. Kampelman (left), the chief American arms negotiator, and two other senior negotiators, Maynard W. Giltman, a specialist in intermediate arms, and Ronald F. Lehman (right), who specializes in strategic arms, at the White House last week before the negotiators left for Geneva.

Does Reagan Have Time  
To Strike a Soviet Deal?

By BERNARD GWERTZMAN

WASHINGTON WITH arms control getting attention in Congress and Geneva last week and a Russian-orchestrated cease-fire attempt under way in Afghanistan, Reagan Administration officials were calculating that they may have only about nine months left to achieve significant agreements with the Soviet Union. After that, veteran officials say, the politics of the 1988 Presidential campaign are likely to take over.

To manage relations with the Russians in these Iran-scarred months will require careful balancing, several State Department officials said. "We can't be too eager to deal," said a top aide to Secretary of State George P. Shultz, "or we'll be taken for patsies, or accused of trying to deflect attention from Iran. But on the other hand, we can't be so cautious that we paralyze ourselves and miss a golden opportunity."

No one could be sure how the Russians might assess the President's political health or, after his recent surgery, his physical energy. Do they regard him as able to negotiate a suitable agreement or as so weakened by the Iran weapons scandal that it would be better to wait for 1989 and a new President?

There was considerable discussion about the likelihood of a third Reagan-Gorbachev summit. Their meeting in Reykjavik in October was supposed to set the stage for Mikhail S. Gorbachev to visit Washington late last year. Whether the Soviet leader picks up the invitation will probably depend on how the Kremlin judges the degree of success that could reasonably be assured in advance, on arms control and other issues.

Arms control discussions resumed in Geneva last week. In a gesture formally raising the level of the talks, the Russians assigned Yuli M. Vorontsov, a First Deputy Foreign Minister, to head their delegation. Washington thereupon gave its chief negotiator, Max M. Kampelman, the added title of counselor to the State Department. But each side was insisting that the other should make the first concession. At Reykjavik, President Reagan and Mr. Gorbachev, going well beyond what had been expected, reached agreements in generalities on a staggering agenda. But the talks broke

down over Mr. Reagan's insistence on proceeding with his Strategic Defense Initiative. Mr. Gorbachev said agreement on curbing offensive arms would have to be linked with sharp restrictions on research for S.D.I., or Star Wars.

In recent weeks, moreover, Defense Secretary Caspar W. Weinberger, conservatives and other boosters of the Star Wars program have launched a campaign for the early deployment of defensive missiles. Administration officials say this could be done without abrogating the 1972 treaty. Not so, say former officials who negotiated the treaty during the Nixon Administration.

Early deployment might block new accords on arms control, but it is also possible that, faced with the threat of deployment, the Russians might try to nail down a new agreement this year.

Meanwhile, in Kabul, the Afghan capital, the Russians organized a major public relations exercise last week to draw attention to a unilateral cease-fire announced by the Soviet-sponsored Afghan Government. Forty journalists were flown from Moscow to Kabul and taken to briefings and meetings. They were shown components of what were said to be captured missiles, including parts

of American Stingers, weapons that have reportedly had a striking effect on the war; United States officials said Soviet planes and helicopters were being shot down at the rate of one a day.

In the midst of the visit, the city abruptly lost its peaceful appearance as Soviet armored vehicles and troops in combat gear took up positions around Government buildings. Afghan officials, evidently embarrassed, said the Russians had returned as part of the cease-fire. But Western diplomats said the Soviet show of force, the most conspicuous in the city in years, suggested fear of a rebel attack. The diplomats said heavy fighting was continuing in some parts of the country, and guerrilla leaders announced yesterday that they would form a government in exile.

Of all the disagreements separating the Russians and Americans, however, Afghanistan may well be the most amenable to solution. Moscow, apparently tiring of the seven-year war, has indicated that it is ready for a formula under which it would withdraw 120,000 troops. Washington says it wants an agreement that would provide for the withdrawal and the re-establishment of a non-aligned Afghanistan. United Nations-sponsored mediation efforts are to resume Feb. 11 in Geneva. And Michael H. Armacost, the Under Secretary of State for Political Affairs, was flying to Pakistan this weekend to coordinate policy. Pakistan, burdened with millions of Afghan refugees and concerned about being drawn into the war, is eager for a solution. But the issues are not easy to resolve. They include the timetable for Soviet withdrawal — whether it will be completed in months, as demanded by the United States and Pakistan, or years, as proposed by Moscow — and a formula for reconciling the rebels with each other and the Afghan Government.

Afghanistan and arms control aside, Washington and Moscow are engaged in constant dialogue. For example, the two countries are also discussing methods for monitoring nuclear testing. Agreement could pave the way for the Administration to seek early ratification of two 10-year-old partial test-ban treaties. Last week, the Senate was asked to give the accords conditional approval.

Also last week, the Administration decided to lift controls on exports of oil and gas equipment and technology to the Soviet Union, which was getting what it needed anyway from Europe and Japan. And in a further conciliatory development, the State Department said it was discussing establishing diplomatic relations with Mongolia, an ally of the Soviet Union on its Chinese border.



Afghan guerrillas, who oppose the Soviet-backed Government.

## In Summary

Dissidents in  
Ecuador Air Force  
Seize President

Last year, Ecuador locked up Gen. Frank Vargas Pazo, an Air Force commander, after he staged two revolts within a week. The authorities turned aside General Vargas's insistence that he was merely protesting against corruption in the armed forces. Later the national congress voted to grant the officer amnesty, and he became something of a folk hero. But President León Febres Cordero, evidently viewing the revolt as an affront, denounced General Vargas as a traitor and vetoed the amnesty measure.

For 12 hours last week, the tables were turned. When Mr. Febres Cordero, who was elected in 1984, arrived at an air force base to receive a medal, paratroopers loyal to General Vargas seized the President, the Defense Minister, their bodyguards and three journalists. Two bodyguards and two of the attacking servicemen were reported to have been killed.

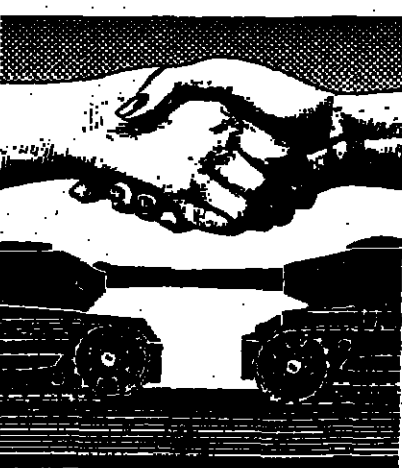
The paratroopers held Mr. Febres Cordero at the base, near the city of Guayaquil, until the general was freed.

While he was being held, Mr. Febres Cordero's voice was broadcast on television appealing for calm

and ordering General Vargas's release. In a statement he signed guaranteeing that no reprisals would be taken, Mr. Febres Cordero said he was "taking this decision in honor of the peace that ought to reign in the country and for the maintenance of the democratic regime."

The Dollar's Slide  
Raises U.S. Hopes

Japan's central bank bought billions of American dollars last week,



and officials in Bonn hinted at a tax cut to stimulate the West German economy. Both countries were also said to be considering lowering interest rates as they scrambled to slow the precipitous drop in the value of the dollar, which closed Friday at 153.10 yen in Tokyo and 1.8465 marks in Frankfurt.

American officials blew hot and cold, alternating remarks likely to keep the dollar sliding with assurances that they would not permit a free fall that could damage the world trading system. Washington hoped cheaper dollars would mean greater

sales of United States products abroad and reduced purchases of foreign cars, computers and video cassette recorders. None too soon. Imports exceeded exports last year by an estimated \$175 billion, a record deficit, about \$30 billion above that of 1985. (Shielding injured industries, page 5).

Some Administration officials were reported to want the dollar to decline further, which added to downward pressures. The White House did not deny the substance of the report but dismissed it as "unauthorized." The Federal Reserve Board said the dollar had fallen far enough.

Stock prices, meanwhile, rose to new highs in New York. The Dow-Jones average of 30 industrial stocks has set records 10 times since Jan. 2, rising on 11 consecutive days.

Impasse in Queens  
Attack Case Ends

Lawyers for the two surviving victims of the Dec. 20 racial assault in Howard Beach declared a "people's victory" last week after Governor Cuomo assigned a special prosecutor to take over the case.

The move came as the incident began receiving increased national attention, with President Reagan referring obliquely to it in a televised speech against racism and the Rev.

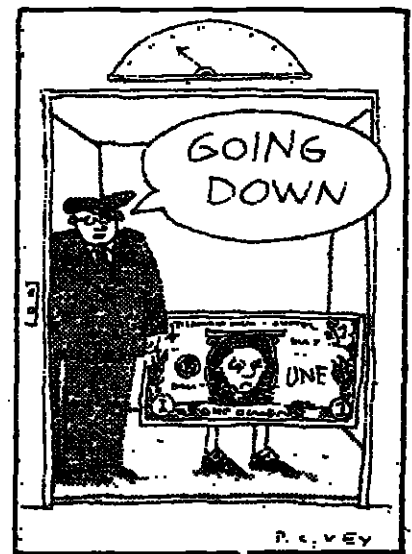
Jesse Jackson saying the attack was a symptom of a "national malady" fostered by Reagan policies.

Mr. Cuomo's action, which came after a six-hour meeting with a group of black leaders that included the Manhattan Borough President, David Dinkins, and the Rev. Calvin O. Butts, executive pastor of the Abyssinian Baptist Church, drew wide support among blacks.

To the apparent relief of all concerned, the appointment also appeared to break a three-week impasse that began when Cedric Sandiford, one of three blacks who were set upon by a mob of white youths in a predominantly white Queens neighborhood, refused to cooperate in the prosecution of three whites charged in the case.

Mr. Sandiford's lawyer, Alton H. Maddox Jr., asserted that the Queens District Attorney, John J. Santucci, was not investigating the assault in good faith. Mr. Maddox and C. Vernon Mason, an attorney for another of the Howard Beach victims, Timothy Grimes, said their contention of bad faith arose from Mr. Santucci's refusal to press charges against Dominick Blum, the driver of a car that struck and killed the third victim, Michael Griffith, as he fled the white youths.

Mr. Santucci denied any improper procedure and criticized the two black lawyers, saying the appointment of Charles J. Hynes as special prosecutor would "call their bluff."



Within days of Mr. Hynes's appointment Mr. Sandiford and Mr. Grimes gave him detailed accounts of the assault. The special prosecutor said they had provided "essential evidence that will significantly aid our inquiries."

In describing the appointment of a special prosecutor as a "victory," Mr. Mason said the action vindicated the strategy he and Mr. Maddox had developed. That plan, centered on their clients' refusal to cooperate with Mr. Santucci, had been criticized by city and state officials.

Reagan  
seems  
trapped in  
paradox

2



# The World



Iraqi prisoners captured by the Iranians during the latest offensive.

## Epic Battles in The War Between Iran and Iraq

Iran and Iraq agree that their battles of the last 10 days have been epic, even by the grisly standards of their seven-year war. But in what has become a ritual, both countries claimed victory last week and issued grandiose assertions.

Iraq announced yesterday that it had bombed the home of Ayatollah Ruhollah Khomeini — "the head of the snake, Khomeini" — in Teheran. But Iran's Islamic Republic News Agency, making no mention of the Ayatollah, said only that an Iraqi plane had bombed the city's outskirts and killed a 55-year-old man and two children.

Iran reported, meanwhile, that its advancing troops had taken "complete control" of the strategic Buvarin Island in the Shatt al-Arab waterway, "systematically annihilated" Iraqi forces near Basra, Iraq's second-largest city, and recaptured a region only 75 miles east of Baghdad. The Iraqi press agency countered that the Iranians had been "repulsed and crushed," with thousands of enemy killed. "Iranian long-range missiles struck Basra and Baghdad, and Iraq retaliated with air attacks on several Iranian cities."

Iran's latest offensive apparently surprised the Pentagon. Last month, after an estimated 20,000 to 30,000 Iranian casualties in a failed assault north on Basra, the Defense Department reported that its analysts saw little chance for a victory over Iraq in the near future.

## The Superpowers' Role

Did the United States deliberately distort the intelligence reports it delivered to Iran and Iraq in an effort to prolong their war? According to intelligence sources in Washington, American officials, among other things, gave Tehran information that exaggerated the number of Soviet troops on its border and altered satellite photographs that were shared with Iraq.

Asked how the pieces of American policy fit together — including the American arms sales to Iran — one former official involved in some operations said: "You had to have been there."

The Central Intelligence Agency denied the reports, calling them "false" and "stupid."

The Soviet Union in its pronouncements has indicated that it is moving closer to Iraq in the wake of the revelation that the United States sold arms to Iran. Moscow is Iraq's largest arms supplier — it sent a huge shipment of weapons last month — but had nevertheless taken pains to appear neutral.

## Ambassador Shot By Cocaine Ring

As Justice Minister of Colombia, Enrique Parejo González received so many death threats from cocaine traffickers that he was named Ambassador to Hungary and rushed out of the country in August. But last week, the barons of Colombia's multibillion-dollar drug racket claimed vengeance. In what the State Department deplored as a "narco-terrorist" attack, Mr. Parejo was shot as he left his home in Budapest.

The Colombian Foreign Ministry said he was in stable condition with head wounds from three bullets.

A group calling itself the Hernán Botero Moreno Command took responsibility for the attack in calls to Bogotá news offices. Mr. Botero, one of a dozen Colombians extradited to the United States with Mr. Parejo's help, was convicted of conspiracy and mail fraud in Federal court in Miami in June 1985. The owner of a Colombian professional soccer team,

he was accused of laundering \$60 million in drug money.

The traffickers have fought the extradition policy with threats and bribes and by murdering a supreme court justice, 30 judges, 20 journalists and many police officers. In 1984, Mr. Parejo's predecessor as Justice Minister, Rodrigo Lara Bonilla, was also killed.

President Virgilio Barco Vargas ordered a new antidrug offensive last month, after a gang killed the publisher of Bogotá's second-largest newspaper, who was a vigorous critic of the traffickers.

But Colombian news media, in a concerted response to the attacks, published and broadcast statements of their "astonishment" that the Government had done little in an "open war" that cocaine traffickers had declared on the country.

## Hijacking Suspect Held in Frankfurt

Middle Eastern terrorists were on the move again last week, but two Lebanese men, one a hijacking suspect, were arrested at European airports.

West German authorities arrested Mohammed Ali Hamadei, a 22-year-old Lebanese who has been identified as a participant in the June 1985 hijacking of a Trans World Airlines plane to Beirut.

The White House and Justice Department sought to extradite Mr. Hamadei, who is wanted for murder and air piracy. But West Germany, said, as it has in other major extradition cases, that it would not hand him over unless the United States gave written guarantees that he would not be subject to the death penalty. West Germany has no provision for capital punishment.

"We very much want him," Terry Eastland, a Justice Department spokesman, said in Washington.

The hijackers killed an American passenger, a Navy diver; 39 other Americans were turned over to Shiite Muslim militiamen, who were demanding that Israel release 766 prisoners. After the Americans were freed, Israel eventually freed most of the prisoners but insisted it had not been party to a deal.

Mr. Hamadei was arrested at Frankfurt airport when three bottles of methyl nitrate, a liquid explosive, were found in his luggage. A day earlier, Bachir Khodr, another Lebanese, was arrested at Milan airport, also carrying explosives.

The Soviet Union in its pronouncements has indicated that it is moving closer to Iraq in the wake of the revelation that the United States sold arms to Iran. Moscow is Iraq's largest arms supplier — it sent a huge shipment of weapons last month — but had nevertheless taken pains to appear neutral.

Meanwhile, in a separate incident in the north German city of Hamburg, gunmen killed an Iranian who had been a pilot for the Speaker of the Iranian Parliament. The victim, Ali Akbar Mohammadi, flew to Baghdad last summer and later applied for political asylum in West Germany.

## French Hostage Seized

Terry Waite, the Anglican Church envoy, returned to Beirut last week seeking the release of more hostages. But his visit was the occasion for another kidnapping. Gunmen seized Roger Augue, a French freelance reporter and photographer, not long after he finished photographing Mr. Waite on the seafloor in Moslem West Beirut. Mr. Waite, a representative of the Archbishop of Canterbury, has been involved in successful negotiations to free a number of American and other hostages in Lebanon. Eighteen foreigners, including five Americans, are still being held.

Katherine Roberts, Milt Freudenheim and James F. Clarity

## Arms to Iran: More Pieces of the Puzzle

# President Reagan Seems Trapped in A Tangled, Paradoxical Web

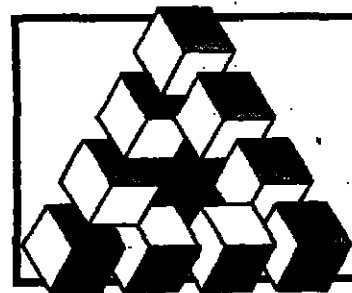
By ROBERT PEAR

**P**RESIDENT REAGAN appears to be trapped in a web of paradox over the secret sale of arms to Iran, vulnerable if he knew more about the deal than he has acknowledged and vulnerable if he knew less about it than his critics insist any President should have known.

The essential elements of the arms deal and the diversion of money to the Nicaraguan rebels have been known since mid-December. But many new details have emerged in recent weeks about what was done by or on behalf of the United States Government. Many relate to the origin of the secret decision to sell arms to Iran in hopes of gaining the release of Americans held hostage in Lebanon by pro-Iranian extremists — a policy that was conceived in mid-1985, about the time Mr. Reagan was denouncing Iran as part of "an international version of Murder Inc."

The President's dilemma is that to demonstrate he knew nothing about the diversion of money from the Iran arms sales to Nicaraguan rebels, he must prove he was ignorant of international intrigues run from the White House by the staff of his National Security Council.

## A Scapegoat?



## Israel's Overtures

The origin of the American arms shipments to Iran is still not clear. Mr. Reagan said in November that "the Iranians came to us at first," seeking "a better relationship." But Admiral Poindexter's memorandum to the President in January 1986 describes the shipments as part of an "Israeli plan" to strengthen moderate forces in Iran and to "preserve a balance of power" in the Persian Gulf region. The plan, he said, was proposed to the United States by a special emissary from Shimon Peres, who was then Prime Minister of Israel.

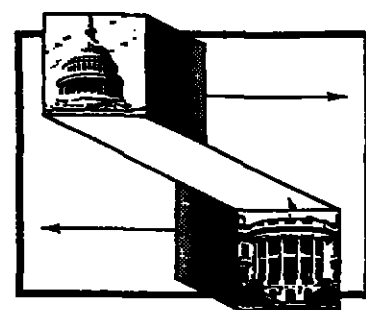
The report of the Senate Intelligence Committee says that the arms sale plan originated with a group of foreign arms dealers and investors who used Israelis as intermediaries. Israel, according to the report, had its "own reasons for selling arms to Iran," a non-Arab Moslem country that has declared its hostility to Israel. In strategic terms, Israeli officials viewed Iran as a valuable counterweight to Arab countries.

In August, September and November 1985, the Israelis sent American-made missiles to Iran from their own stockpiles, with the understanding that the United States would replenish their arsenal. The C.I.A. began shipping weapons to Iran from American stocks in February 1986.

According to the Senate report, Mr. Peres urged Mr. Reagan in February 1986 to continue the Iranian arms shipments, even though they had failed to win the release of all the hostages. Mr. Peres's emissary, Amiram Nir, returned to Washington last September and made a similar plea to Admiral Poindexter and Colonel North, the report said.

Israeli officials denied last week that they had led the United States into the Iran arms affair. "Everything attributed to Israel has no basis in reality," said Yitzhak Shamir, now the Prime Minister. Mr. Peres said Israel cautioned the United States in January 1986 that the arms-for-hostages deal had no more than a 25 percent chance of succeeding. The Administration assured Mr. Shamir last week that it was not trying to make Israel a scapegoat.

## The Cake



## More and More Contradictions

Much of the information dribbling out of the Government in recent weeks contradicts earlier statements by Reagan Administration officials. A staff report prepared for the Senate Select Committee on Intelligence says that "early statements issued by the Administration proved later to contain significant inaccuracies." The report has not been formally issued, but The New York Times has obtained key parts of it.

**The Cake and the Bible** In a Nov. 13 television interview, just after Mr. Reagan confirmed the existence of "a secret diplomatic initiative to Iran," Robert C. McFarlane, a former national security adviser, flatly denied that he had carried a cake or a Bible as a token of good will on his trip to Teheran last May.

"Did you bring in a cake?" the interviewer asked Mr. McFarlane.

"No," he answered, "I didn't have anything to do with a cake."

"Bible?" he was asked.

"No Bible," he replied.

But a retired official of the Central Intelligence Agency, George W. Cave, told the Senate Intelligence Committee that Mr. McFarlane and his party carried a cake and a Bible with a handwritten inscription from Mr. Reagan. Mr. Cave accompanied Mr. McFarlane on the mission. His account is in the committee's draft report. Mr. McFarlane said last week that he personally had nothing to do with the cake.

**Arms for Hostages?** In a televised address Nov. 13, Mr. Reagan said, "We did not — repeat, did not — trade weapons or anything else for hostages, nor will we." But in a confidential memorandum to the President dated Jan. 17, 1986, Vice Adm. John M. Poindexter, then the national security adviser, said the shipment of weapons to Iran "may well be our only way to achieve the release of the Americans held in Beirut." The White House released copies of the memorandum nine days ago.

**More About Oliver North** Congressional investigators say they have found evidence that Lieut. Col. Oliver L. North, a member of the National Security Council staff, coordinated numerous arms shipments through Portugal to the Nicaraguan rebels. These weapons were in addition to any that might have been bought with proceeds from the arms sales to Tehran. This finding appears to contradict Administration assertions that no Government official or agency supervised or coordinated the private network supplying military aid to the rebels, known as contras.

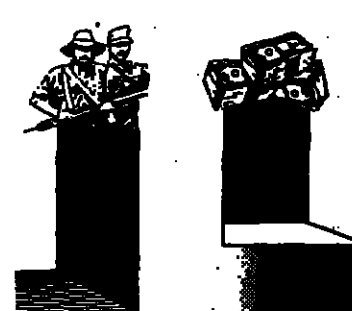
Mr. Reagan "strongly supports the rebels, who are trying to overthrow the leftist Sandinista Government. But from October 1984 to October 1986, Federal laws prohibited American agencies from providing assistance, directly or indirectly, to military operations in Nicaragua. Colonel North was dismissed from his White House job Nov. 25, the same day Admiral Poindexter resigned.

**Reagan's Approval** Mr. McFarlane told the Senate Intelligence Committee that President Reagan had given prior approval for the first Israeli shipment of American arms to Iran in August 1985. Last week he told the Senate Foreign Relations Committee that Secretary of State George P. Shultz and Defense Secretary Caspar W. Weinberger had been fully informed of the decision. But Donald T. Regan, the White House chief of staff, said the President had not approved the shipment in advance, and Attorney General Edwin Meese 3d said Mr. Reagan condoned the shipment only when he learned of it "after the fact."

The issue is significant because, under Federal law, a foreign nation is generally forbidden to transfer American weapons to a third country unless it first obtains consent from the President of the United States.

Some of Mr. Reagan's defenders said he might not remember approving the first arms shipment because he was recovering from surgery at the time and might have been taking medication.

## Whose Idea Was It?



## Contra Diversion

It is still not known who first suggested the diversion of money from the Iranian arms sales to the contras. Nor is it clear how much was involved, or how the money was routed through Swiss bank accounts and sham companies.

In disclosing the arrangement Nov. 25, Attorney General Meese estimated that \$10 million to \$30 million had been transferred to the contras. But Congressional investigators suspect the figure may be lower, perhaps \$5 million to \$10 million.

According to the Senate committee's report, Manucher Ghorbanifar, a middleman in the Iranian deals, suggested in April or May 1986 that the Iranians be overcharged and the money diverted to the contras.

Attorney General Meese told the committee, according to the report, that Mr. Nir, the Israeli emissary, might have suggested the diversion in January 1986. The Israeli Government has emphatically denied ever having suggested such an operation.

In April 1986, the report says, Colonel North prepared a memorandum suggesting that \$12 million from the arms sales be sent to the contras. The memorandum "requests the President's approval," but the report says there was no firm evidence that Mr. Reagan received the document.

White House and Capitol Hill sources said Admiral Poindexter had told Mr. Regan, the chief of staff, that he allowed the diversion because he "felt sorry" for the contras.

## Khashoggi Connection



## Arms Merchants

Private arms merchants strongly influenced the tactics of the secret American overtures to Iran.

The initial discussions, the Senate draft report says, were held in Israel in late 1984 by

Mr. Ghorbanifar, Al Schwimmer, a founder of Israel's aircraft industry, and Yaacov Nimrodi, an arms dealer and former military attaché at the Israeli Embassy in Teheran.

In June 1985, Mr. Ghorbanifar met in West Germany with Adnan M. Khashoggi, the Saudi Arabian billionaire, and Cyrus Hashemi, an Iranian exile and banker who had joined Mr. Khashoggi in a venture to sell arms to Iran.

Mr. Khashoggi and Mr. Ghorbanifar helped arrange the first Israeli shipments of American weapons to Iran in August and September 1985. Mr. Khashoggi says he guaranteed payment for the weapons by depositing \$5 million in a Swiss bank account. After receiving the weapons, Iran apparently paid Mr. Ghorbanifar, who paid Mr. Khashoggi, and he in turn distributed the money to the Israelis and perhaps to others.

Mr. Khashoggi continued to guarantee payment for arms when the United States began direct shipments to Iran in 1986. Mr. Ghorbanifar, on behalf of Iran, continued to write the checks for at least some shipments.

Altogether, according to Mr. Ghorbanifar, there were six shipments, and the payments totaled \$30 million to \$35 million.

The United States says it received only \$12 million, the price set by the Defense Department.

## The White House

## 'No Knowledge Whatsoever'

President Reagan says he had "no knowledge whatsoever" that proceeds of the Iran arms sales were diverted to the Nicaraguan rebels until Attorney General Meese informed him Nov. 24, 1986. Mr. Meese said Colonel North and Admiral Poindexter were "the only persons in the United States Government" who had known about the diversion.

Mr. Reagan's ignorance of the details has become a major theme in his defense. "I don't think the President really knows yet what happened," said Senator Paul S. Trible Jr., Republican of Virginia. But Senator Ernest F. Hollings, a South Carolina Democrat, contends that Mr. Reagan "knew it all, generally speaking," and "created an environment in which aid to the contras, by hook or by crook, was a top priority." "No one can persuade me that Admiral Poindexter and company were buccaneers operating on their own," Mr. Hollings said. "They were doing the President's bidding."

William J. Casey, the Director of Central Intelligence, told Congress that he did not learn about the diversion of funds until just before it was announced by Mr. Meese Nov. 25.

However, Mr. Cave, the retired C.I.A. expert on Iran, attended the meeting in the spring of 1986 meeting at which Mr. Ghorbanifar suggested transferring money from the Iran arms sales to the Nicaraguan contras.

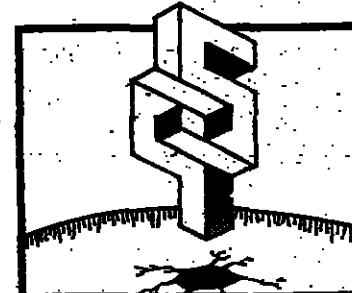
Mr. Cave reported the suggestion in a cable to Mr. Casey, according to Congressional investigators.

The draft report of the Senate Intelligence Committee says that Mr. Casey and Admiral Poindexter were aware of "possible improprieties" at least as early as October 1986.

In early October, Mr. Casey was told by one of his senior advisers, Charles E. Allen, that funds might have been sent to the contras.

Mr. Casey regarded this report as "tenuous speculation," the C.I.A. said this month.

## Motives and Money



## Remaining Questions

Who first proposed diverting money from the Iran arms sales to the contras? How much was diverted, and how much got to the contras? And how much was skimmed off by middlemen?

Congressional investigators will wrestle with these questions and try to determine whether any of the money was used to finance other rebels backed by the United States, such as groups in Afghanistan, Angola and Ethiopia, or whether it was channeled into political campaigns in the United States.

What happened to the \$10 million that the Sultan of Brunei, at the request of the State Department, deposited into a Swiss bank account to aid the contras last year? Department officials said they had lost track of the money.

Could Mr. Casey's brain tumor have impaired his memory or otherwise affected the testimony he gave to Congress on the Iran arms deals before he underwent surgery?

When Michael Ledeen, a consultant to the National Security Council, went to Israel in the spring of 1985, was he acting on his own initiative or on instructions from Mr. McFarlane, the President's national security adviser? Mr. Ledeen met with Mr. Peres, then the Prime Minister, and they discussed the situation in Iran. Later, in the summer, Mr. Ledeen says, he met Mr. Ghorbanifar.

Finally, who persuaded Mr. Reagan to restart arms shipments to Iran in early 1986 after he had decided to stop them in late 1985? And was President Reagan unaware of the diversion of funds until late November 1986, as he says?

سكوا من الاصل



## Pope's Meeting With Jaruzelski Is a Picture of Compromise

# Vatican Must Deal Even for Small Gains In the East

By ROBERTO SURO

**I**N a front-page photograph last week, L'Osservatore Romano showed Pope John Paul II standing soberly beside the equally unsmiling Gen. Wojciech Jaruzelski. The Vatican newspaper added only a 40-word caption stating that the Polish leader had been received in a private audience Tuesday.

L'Osservatore publishes virtually every syllable uttered in public by the Pontiff, but it did not record John Paul's description of last week's meeting as "without doubt historic." The newspaper also ignored the Vatican communiqué issued afterward as well as the Pope's short encounter with General Jaruzelski's 22-year-old daughter, Monika, who was dressed respectfully in black, with her head covered. The Pope greeted her warmly and gave her rosaries for herself and her mother.

Journalistic omissions of this sort are not accidental. The Pope's cordiality and his newspaper's coolness reflected the Holy See's approach to Communist countries, which has been divided into two strains ever since the Bolshevik revolution: The Vatican has preached sternly against atheism while pursuing diplomatic contacts to try to improve the status of Roman Catholics.

World events and the inclinations of individual popes have largely determined which element received greater emphasis. Catholic theology teaches a profound appreciation of paradox, a skill that is particularly valuable in unraveling the Vatican's Eastern policy, which sometimes seems to be going full speed in two directions.

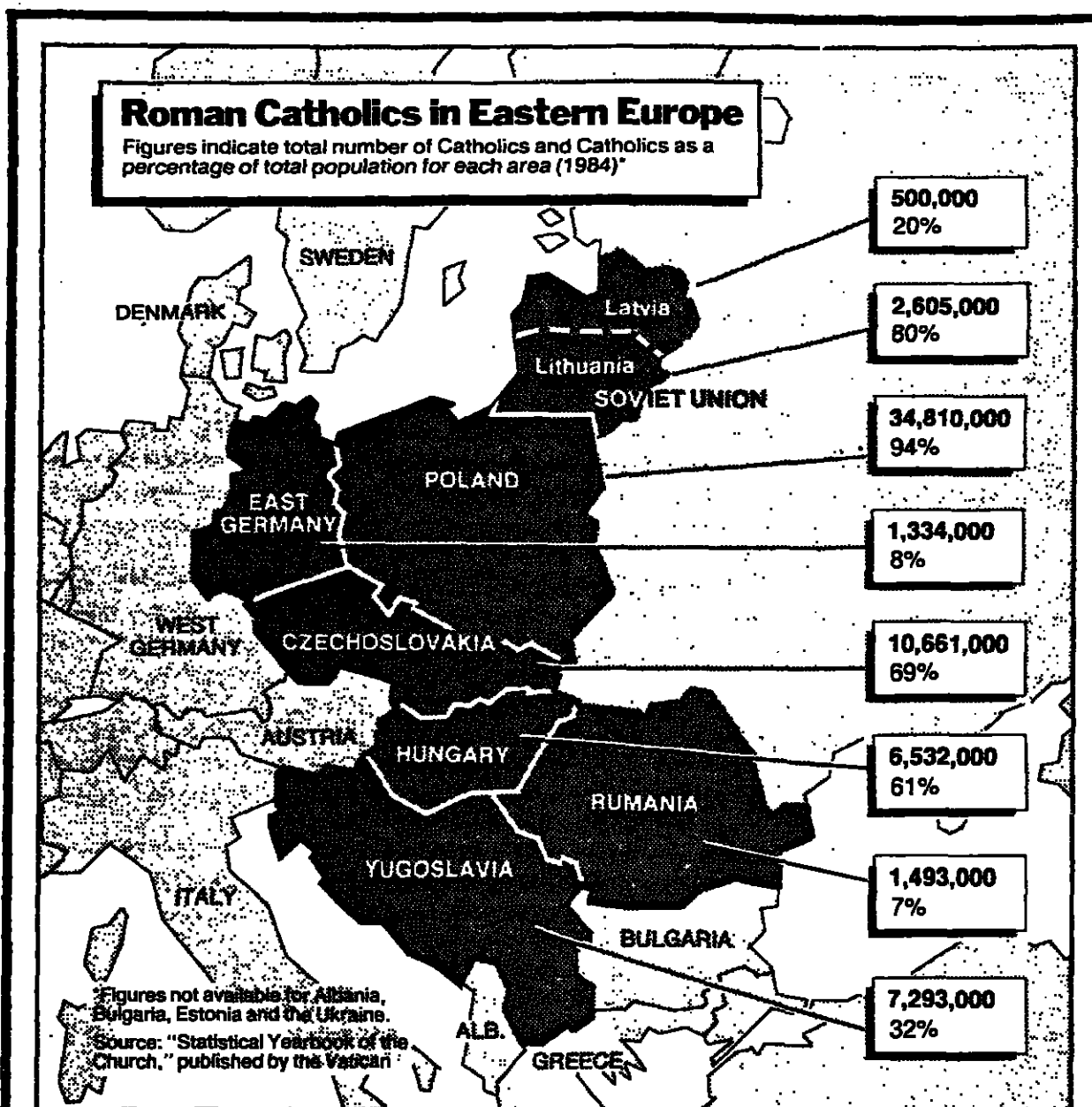
Last week, for example, "Jaruzelski needed that photograph with the Pope to help improve his image in the United States and the West in general, and it certainly did not hurt him inside Poland," said a senior Vatican official. In a interview, beforehand with the Rome daily La Repubblica, Mr. Jaruzelski indicated what he could give in return. The Catholic church in Poland was "a permanent reality," he said.

While the general may have got what he wanted on the level of appearance, the Pope, according to Vatican officials, refused to make concessions of substance until Poland agrees to a formal accord recognizing the legitimacy of local church institutions. He could insist that General Jaruzelski deal directly with Polish bishops, in part because the church is far stronger in Poland than elsewhere in Eastern Europe.

The approach has been different where the church is more embattled. "The goal has been to save what could be saved, to work hard for small victories," said Hansjakob Stehle, a German journalist and the author of a book entitled "Eastern Politics of the Vatican 1917-1979."

In Hungary, for example, the victories have been as small as permission for two theology students to study in Rome. There have been intense negotiations about the appointments of bishops. Last month, the Hungarian Minister for Religious Affairs, Imre Miklos, spent five days at the Vatican, mainly to discuss the appointment of a new primate of Hungary.

In East Germany, Catholics maintain vital financial links with the church in West Germany, and the Vatican's refusal to fix permanent diocesan boundaries, acknowledging political divisions, is essential. Aside from Albania, where the Vatican can do nothing, the hardest case is Czechoslovakia, where efforts to repress and divide Catholics are at Stalinist levels, Vatican officials say, and the 87-year-old primate, Frantisek Cardinal Tomasek, is ailing.



Pope John Paul II with Gen. Wojciech Jaruzelski, the Polish leader, at the Vatican last week.

The aim in places like Czechoslovakia, Lithuania and Bulgaria, says the Vatican Secretary of State, Agostino Cardinal Casaroli, is simply to send "breathful oxygen" to help keep the church going. When John Paul became the first Polish Pope, many assumed that the policy would stiffen. But, Mr. Stehle says, "John Paul soon realized he could not conduct Ostpolitik from a Polish point of view, and he has become steadily more realistic about the need for compromise and diplomacy."

General Jaruzelski suggested in a Rome news conference that both Communists and Catholics had abandoned cold war shrillness and become "more mature."

"Let's put aside theories," he said, "and let's look at life," he said. That may be easier for Marxists than Catholics. John Paul's anti-Communist message is, if anything, growing in intensity: "Atheist ideologies" are the work of Satan; totalitarian regimes that promise liberation but deny freedoms are "this shame of our times"; Christianity unites Europe, and the East-West division can be never be permanent. But the Pope rarely criticizes individual governments and, like his predecessors, he does pose for pictures and bargain over bishops.

## Elections Next Week Come as Nation, for Now, Is at Ease

# Germany Expected to Carry On With Kohl

By JAMES M. MARKHAM

**U**NLESS all of West Germany's opinion polls have made a huge miscalculation, Chancellor Helmut Kohl's center-right coalition will be re-elected next week.

After a sluggish winter campaign, a satisfied, prosperous majority will probably give its assent to the upbeat slogan of the governing Christian Democrats: "Carry on, Germany!"

Four years ago, the mood was far different. In 1983, voters went to the polls in the midst of a passionate and divisive debate over the deployment of American medium-range missiles, a question that was transmuted into a half-enclosed discussion of West Germany's sovereignty and place within the Atlantic alliance.

In Washington and other NATO capitals, the German election was seen as a test of the alliance's resolve in the face of Soviet threats and blandishments.

Yet most Germans who voted for the folksy Mr. Kohl and his Free Democratic junior partners did so out of a conviction that a center-right Government would get the economy going again. It did.

Next Sunday's election is thus not so much a confrontation with themes that have been etched and defined in a few weeks of campaigning as a referendum on four-year-old promises that have been more or less kept.

The West German economy is expanding strongly, prices are dropping and, with politically tinged optimism, the Government is predicting a growth rate of 2.5 percent in 1987.

Unemployment, it is true, stands at a disquieting 2.2 million, or 8.9 percent of the work force, but no political party has come forward with a remedy for long-term joblessness. The issue is as cold as the subzero weather.

Mr. Kohl's Christian Democrats have strenuously made the point that the only real alternative to their "coalition of the middle" is an alliance of the leftward-listing Social Democrats and the anti-NATO Greens. The alarmist expression for this configuration is "Red-Green chaos," which the Chancellor's partisans maintain would undermine both the economy and the Federal Republic's cornerstone role in NATO.

The Social Democrats' standard-bearer, Johannes Rau, has insisted that he would never enter a coalition with the unpredictable Greens. But no one believes his contention that he is shooting for his own absolute majority in Parliament.

On election night everyone will be watching to see if the Social Democrats can better their miserable 1983 score, 38.2 percent of the popular vote, their worst showing since 1961.

The Social Democrats' quandary goes beyond the tactical difficulties of trying to put a glove on a reason-

ably successful Government.

Some party members are talking of a crisis in the traditional Social Democratic "culture," a predominantly blue-collar constituency-supported by a strong union movement.

As the party shifts leftward, a gap has opened between this base and the theoretically inclined professional politicians in Bonn who, it is argued, are out of touch with the concerns of the working class and increasingly tempted by ideas popularized by the Greens. For example, the Social Democrats' campaign proposal to abandon nuclear energy in a decade was extremely unpopular with union leaders, who considered it a formula for eliminating jobs.

At the same time, the unions themselves are going through a crisis of confidence aggravated by a series of seamy scandals touching their business interests.

### Social Democratic Rifts

Mr. Rau, a cheerful populist, is a leader of the old blue-collar constituency, which is strongest in his home state, North Rhine-Westphalia. Yet he does not have the Bonn party apparatus behind him, and he has been repeatedly slighted by Willy Brandt, the 73-year-old party chairman. Mr. Brandt sees himself as the "grandfather" of a leftist generation of young Social Democratic figures such as Oskar Lafontaine, the premier of the Saarland. If the party suffers a particularly painful defeat next Sunday, Mr. Rau is expected to be made the fall guy, opening

the way for a more vigorous leftward march by the Social Democrats.

The absence of any substantive foreign policy issues in the campaign is symptomatic of a country momentarily at ease. From the outset of his mandate, Mr. Kohl has jettisoned a lot of intransigent-sounding Christian Democratic policies and embraced the idea of improving ties with Communist East Germany and the Soviet Union. During the campaign, he has sounded some of the old anti-Communist themes, but largely to consolidate support on the far right.

The likelihood is that Foreign Minister Hans-Dietrich Genscher, an agile centrist, will be reconfirmed in his post after the election and that West Germany will continue to steer a careful course with its Eastern neighbors and Western allies.

The international climate outside West Germany has also improved since 1983. In the aftermath of the Reykjavik summit, it is no longer easy for the Social Democrats to portray President Reagan as a hawk and the turmoil over the Iranian arms sales has aroused minimal excitement.

"On the German scale of things," Foreign Minister Genscher observed last week, "President Reagan has slid more toward the middle."

In electoral terms, this makes it easier for a German politician like Mr. Kohl to be thought of as a friend of the American President, another bonus as the Chancellor contemplates four more years at the helm.



Gamma-Liaison/Patrick Pfl (Kohl); Picture Group/Keynote Paris/Michael Brucker



Workers putting up a campaign poster for Chancellor Helmut Kohl; Social Democratic candidate Johannes Rau speaking at an election rally.

## Selling Free Enterprise

# Shultz Visits Africa With Gifts and Exhortations

By DAVID K. SHIPLER

**G**IVING foreign aid is the process of doing good for somebody else in pursuit of your own self-interest. That seemed to be the governing proposition of Secretary of State George P. Shultz's 14,889-mile trip, concluded last week, to six countries in Africa. As he arrived at one airport or presidential palace after another, often to the accompaniment of drums and dancers brought out in his honor, Mr. Shultz stressed again and again Washington's desire for "partnership" in helping the Africans help themselves.

Pure altruism was rarely mentioned as he and his aides offered a list of motives for providing American money to countries whose people suffer from deep poverty, illness and malnutrition. The Reagan Administration is interested in minimizing Soviet influence, maximizing markets for American exports, securing the sources of raw materials for American industry and seeing developing countries remake their economies in the American image.

Economic and strategic concerns drew the European colonial powers into Africa in an earlier era. Now, 20 to 30 years after the colonies gained independence, the industrialized nations must play a much different game to maintain their interests. They try to woo Africans with aid, and encourage steps to make Western investment safe and profitable.

That was Mr. Shultz's mission as he traveled to Senegal, Cameroon, Kenya, Nigeria, the Ivory Coast and Liberia. It was the first time that a Secretary of State in the Reagan Administration had visited sub-Saharan Africa. And as he flew toward the continent, he reflected on what priority he would give the strategic, economic, ideological and altruistic factors in determining American aid to African countries.

"There's nothing wrong with wanting to help people and see them do better," Mr. Shultz said. "So in saying that I believe the things we're seeing are in the American interest and that's our primary motive, I don't want to be knocking generosity. But I think it's important to be more hardheaded than that. So I think that it is in our interest to see countries become market-oriented in their economic system. It relates itself to openness and democracy, a form of government that we think is not only good for the people involved but basically good for us."

"There is a sense in which everything has a strategic dimension to it," he continued. "We want to see a way of thinking that's congenial to us flourish. Beyond that, of course, a very heavy proportion of our exports go to the developing countries, something like 40 percent. So, as these economies develop, it is good for our economy. So, I think across all these dimensions of



Secretary of State George P. Shultz with President Felix Houphouët-Boigny of the Ivory Coast last week.

our interests, a stable and prosperous and democratic developing picture in these countries is positive for us."

Private enterprise was Mr. Shultz's favorite theme. In the sultry cities of faded French colonial charm such as Dakar, Senegal, and in the modern cities of high-rises, such as Abidjan, in the Ivory Coast, Mr. Shultz argued that free-market systems could rescue African economies. And he hailed the growing trend in that direction. For example, Senegal is ending price controls and subsidies of food and some imported goods. The subsidies have helped the urban classes — the leaders' main constituents — at the expense of the poorer farmers, who have been discouraged from producing by the artificially low prices.

Mr. Shultz urged belt-tightening, especially in Liberia, whose main exports — iron ore and rubber — face declining world market prices. Liberia uses the United States dollar as currency but also mints its own coins, which are considered so worthless that even supermarkets print their own scrip to give out as change.

Mr. Shultz stepped into controversy when he praised Liberia for making progress on human rights. Some Liberians took issue with his assertion that the country had a free press and no political prisoners.

To a certain extent, Washington's desire to foster free enterprise is a mirror image of the Soviet Union's aid objectives.

Where Moscow provides substantial economic and military support, it often presses the receiving country to adopt a socialist system. A notable example is Vietnam. After the war, the Russians induced the country to move toward a Government-run economy in the south, where the marketplace had flourished. The results have been devastating for what was formerly South Vietnam.

With the United States, linking aid to national interest means that the countries that get the most money are not always the poorest ones but are regarded as strategically most important. Thus, Israel and Egypt are the major recipients of American aid. And sub-Saharan Africa, where the average life expectancy is the mid- to late 40's, has been receiving less and less from the United States in recent years — \$664 million in economic assistance this year, out of a foreign aid budget of \$13.4 billion. An additional \$52 million is being provided in military grants.

Expressed another way, sub-Saharan Africa can expect slightly more than one-half of 1 percent of the entire budget of the United States Government next year, or about \$2.50 per capita.



# The Nation

## Court Upholds Job Protection for Pregnant Women

California law requires employers to grant as much as four months of unpaid leave to women when child-bearing makes them physically unable to work.

Does that, as employers' groups and the Reagan Administration argued, discriminate against other employees who have disabling medical conditions but are not guaranteed leaves? Does it harm women in general, as some feminist groups said, by implying that they need preferential treatment and by making employers reluctant to hire them? Or is it, as the state argued, "simply an equalizer... for a biological burden?"

Upholding the law, the Supreme Court ruled Wednesday that the last description reflects the intent of Congress in a 1978 law mandating equal treatment of pregnant workers. Because the law covers only "actual physical disability" arising from pregnancy, childbirth or related medical conditions, Justice Thurgood Marshall wrote, it differs from "the protective labor legislation prevalent earlier in this century" that had the effect of keeping women out of the workplace.

Instead, he wrote, this law "promotes equal employment opportunity" by allowing "women, as well as men, to have families without losing their jobs." In any case, he said, the law does not require discrimination, because employers may choose to give the same benefits to other disabled workers.

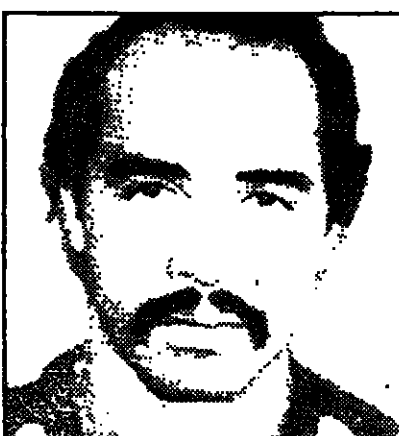
Justice Marshall's opinion was joined by Justices William J. Brennan Jr., Harry A. Blackmun, Sandra Day O'Connor, and, except for one relatively minor section, John Paul Stevens. Justice Stevens said in a separate concurrence that while the language of the 1978 Federal law "seems to mandate treating pregnant employees the same as other employees," the logic of the Court's decisions upholding limited affirmative action preferences for racial minorities applied.

At least nine other states, including Connecticut, have laws or regulations similar to the California statute.

About 85 percent of working women become pregnant at some point; afterward, half of them are working before their children turn 3 years old. Advocates of parental leave and other child-care efforts said the ruling, while welcome, was only a first step.

## Workers Arrested In Hotel Arson

A maintenance worker has admitted setting the fatal fire at the Dupont Plaza Hotel, apparently because he was angry at the management, Federal and Puerto Rican officials said last week.



Héctor Escudero Aponte

Officials said last week Héctor Escudero Aponte, who had worked at the San Juan hotel for 10 years, was charged with arson and with separate counts of murder for each of the 96 people who died in the New Year's Eve blaze.

According to court documents, Mr. Escudero Aponte told the authorities that he meant to start a "small fire" when he ignited cooking fuel atop boxes of new furniture just after his teamsters' union local voted to strike.

Another member of the local, Armando Jiménez Rivera, was charged with providing the fuel. The two men pleaded not guilty Friday to

Federal arson charges; they have not entered pleas on the commonwealth charges.

Officials said they expected to make more arrests, but the local's president said the inquiry had "proven that no one from the union leadership" instigated the arson. Federal investigators cautiously agreed; no link is "visible at this point," said one official.

Experts have said the "small fire" might have started that way if the law had required sprinklers or smoke detectors in the hotel. The government of Puerto Rico moved last week to stiffen fire safety standards, buy better equipment for the Fire Department and hire more firefighters. Gov. Rafael Hernández Colón appointed a commission to recommend further improvements.

## 'Loose Ends' in Walker Spy Case

The Federal Government is not finished with John A. Walker Jr. and his spy ring, law-enforcement officials said last week. A new grand jury is investigating what happened to a million dollars in espionage payments and whether the ring involved people other than the four Navy men already convicted.

Mr. Walker confessed last year that he, his brother, his son and a close friend had sold the Soviet Union some of the United States' most vital communications secrets. All but Mr. Walker's son, Michael, have been sentenced to life in prison. But the plea bargain under which Michael Walker got a lighter sentence nearly fell apart when repeated polygraph tests indicated that Mr. Walker was deceptive about when the ring began and who started it. The new inquiry is aimed at tying up such "loose ends," a Federal prosecutor said.

In addition, the grand jury will try to determine whether Mr. Walker hid money he received from the Soviet Union. Prosecutors say he and his partners may have received more than a million dollars and that most of it has not been accounted for.

Mr. Walker's lawyer said the Federal Government could not legally bring new espionage-related charges against his client, who was recently moved from a Federal prison at Lewisburg, Pa., to a prison medical center in Springfield, Mo., for treatment of diabetes and depression.

## 'Human Issues' in Wreck Inquiry

As officials said the investigation of Amtrak's worst accident was focusing on "human performance issues," the National Transportation Safety Board recommended the wider use of technology that takes over if a human lapses.

The board said automatic braking devices should be installed on the freight and commuter trains that share tracks in the Northeast with Amtrak's high-speed passenger trains. Amtrak locomotives already have the devices, which stop a train if an engineer fails to obey a change-of-speed or stop signal.

In the Jan. 4 accident, three linked Conrail locomotives ran past a stop signal and through a closed switch into the path of an oncoming passenger train. Recording devices recovered from the wreckage showed that both trains were far exceeding speed limits, but re-enactments found that identical freight trains going even faster were able to halt in time if the brakes were applied as soon as the stop signal was sighted.

In addition, investigators said they could find no evidence of malfunction in a signal two miles from the switch, which should have warned the freight engineer to slow down and prepare to stop at the junction. The engineer, Richard L. Gates, has insisted that that signal wrongly told him to proceed.

Blood and urine tests indicated that Mr. Gates and the brakeman, Edward Cromwell, had used marijuana in recent weeks. But John H. Riley, head of the Federal Railroad Administration, said the tests did not indicate whether the men were intoxicated at the time of the accident.

The wreck's death toll rose to sixteen last week when a 31-year-old Connecticut woman died of her injuries. More than 170 people were hurt.

Martha A. Miles and Caroline Rand Herron

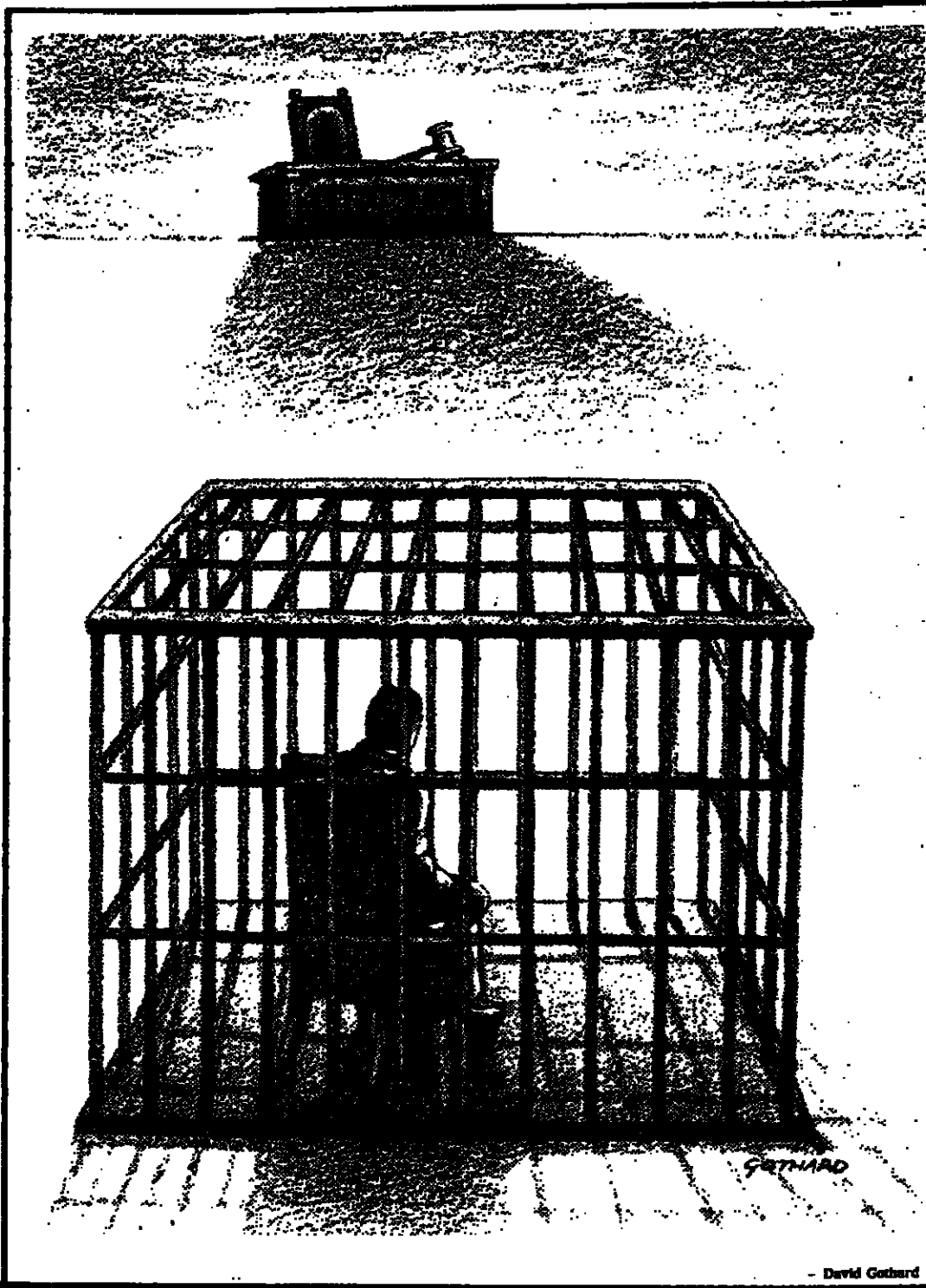
## Verbatim: Status Report

'Black Americans enter 1987 besieged by the resurgence of raw racism, persistent economic depression and the continued erosion of past gains.'

John E. Jacob

president of the National Urban League, releasing a report on "The State of Black America."

## High Court Hears Arguments This Week



## Preventive Detention: A Concept Goes on Trial

WASHINGTON  
In one of the more important criminal law disputes of the decade, the Supreme Court will hear arguments Wednesday on the constitutionality of the "preventive detention" of allegedly dangerous but unconvicted criminal defendants. The issue is at the center of the great divide between civil libertarians and advocates of tougher law enforcement.

Congress came down on the side of law enforcement in the Bail Reform Act of 1984. It authorizes judges to jail before trial defendants charged with certain serious crimes if prosecutors can show that no bail or release conditions could assure "the safety of any other person and the community." Until recently, Federal and state law authorized pretrial detention in noncapital cases only to assure a defendant's appearance at trial. Five states have amended their constitutions or passed statutes similar to the 1984 law; 14 others permit preventive detention in limited circumstances.

The case before the Court is a Justice Department appeal of a lower court decision striking down the Federal law. The case involves racketeering charges that have not yet come to trial against Anthony Salerno, boss of the Genovese crime family, who last week was sentenced to prison on unrelated charges.

He has been jailed since March 21 on the basis of what both district and appellate courts said was strong evidence that he would continue to engage in criminal activities, including contract murder. But the appellate court ruled, 2-1, that due process of law barred the jailing of any unconvicted defendant, even a terrorist bomber,

simply on the ground that he is dangerous. Six other Federal appellate circuits have come to the opposite conclusion. Excerpts from briefs filed in the Supreme Court follow.

## Arguing For The Justice Department:

The pretrial detention provisions of the Bail Reform Act of 1984 were carefully formulated to strike the proper balance between the individual's liberty interest and public's interest in community safety.

Regulatory detention has long been found to be a constitutionally permissible means to protect the public from a broad variety of dangers, ranging from foreign attack and civil insurrection to the outbreak of contagious disease. For example, this Court has upheld against due process challenges the pretrial detention of potentially dangerous juveniles and potentially dangerous mentally incompetent defendants. The Court has also upheld detention, prior to deportation and exclusion, of potentially dangerous aliens.

Contrary to the suggestion of the court of appeals, this Court's decisions regarding the detention of individuals because of dangerousness are simply specific examples of the general principle, embodied in history and practice, that Congress and the state legislatures have substantial latitude to protect the public safety through the

detention of particularly dangerous individuals pending further judicial or administrative proceedings. The court of appeals' basic premise—that the Constitution imposes a blanket prohibition of such regulatory restraints—is fundamentally wrong.

## Americans for Effective Law Enforcement Inc. Joined by International Association of Chiefs of Police, Inc., and three other groups:

When a dangerous defendant is released on bail, he is not only placed in a position enabling him to commit further crimes, but he is in a position to do so without any significant threat of further sanctions. Chief Justice Burger took a practical view of this when he stated:

"It is clear that there is a startling amount of crime committed by persons on release awaiting trial, on parole and on probation release. Overburdened prosecutors and courts tend to drop other pending charges when one conviction is obtained. Should we be surprised if the word gets around in the 'criminal community' that you can commit two or three crimes for the price of only one and there is not much risk in committing crimes while awaiting trial?"

In our considered view, no single measure in criminal justice today holds greater promise for cutting the rates of crime in America than pretrial preventive detention of dangerous offenders and recidivists.

## Arguing Against Anthony Salerno

What is at issue is the fundamental and inalienable right of every competent adult citizen of this country to liberty, to freedom from personal restraint... a right so central and so critical to our constitutional system that no Government interest... may justify its deprivation on a ground of future dangerousness. To admit of a permissible balancing equation in this context would eradicate a heretofore sacrosanct line, a line which must remain inviolate.

The Due Process Clause of the Fifth Amendment commands that no competent adult citizen be imprisoned unless convicted of a criminal offense by proof beyond a reasonable doubt arrived at through judicial proceedings which fully comport with the constitutional requisites of a fair trial. Eliminate this line, and there remains no principled basis for the preservation of our historical freedoms. Let there be no mistake: This is no mere rational jurisprudential extension of past precedent as argued by the Government; once this historic bulwark is breached, our very liberty is placed in jeopardy of further systematic encroachment until it is reduced to only an abstract concept which pales beside the legislative might.

The Government suggests that the Bail Reform Act of 1984 is simply an inextinguishable manifestation of the Government's recognized power to curtail freedom as a nonpunitive regulatory measure to protect substantial governmental interests. However, recourse to examples cited by the Government of this Court's validation of such measures quickly demonstrates the essential fallacy of this contention; none of these cases, with the possible exception of the World War II Japanese internment cases, authorize or approve the pretrial detention of competent adult citizens on the grounds of anticipated future dangerousness.

## The American Civil Liberties Union

It would be a startlingly novel doctrine to hold that because an individual is among a certain group of people who might engage in harmful conduct in the future, he or she, too, is dangerous and therefore may be incarcerated. This not only works a dramatic reversal in our constitutional presumption that an individual stands innocent until proven guilty—it works an awe-inspiring metaphysical transmogrification so that now an individual can stand punishable for an offense before it has even been contemplated.

Not only does the statute fail to indicate what type of offenses courts are to consider as jeopardizing the safety of the community, the judicial officer need not ever conclude that the person is likely to commit any criminal offense.

## Labor Is Caught in a 'Post-Concessionary Era'

## Strikes Are Getting Fewer but Longer

By KENNETH B. NOBLE

W HIPS AWAY by automation, increasingly anti-union managements and a large pool of unemployed people willing to break a strike, many union members are finding that "givebacks"—cuts in wages and benefits—have become a fact of life. One result appears to be fewer but longer strikes.

While the rank and file often regarded concessions as onerous from the start, labor leaders strove mightily to put the best face on them, calling them temporary measures to strengthen companies and, above all, protect jobs.

Last month the 2,500 meatpackers at the Iowa Beef Processor's flagship plant here became the latest to discover that getting back the givebacks would not be easy. In 1983, the company, the nation's largest beef slaughterhouse and meatpacker, won a \$1.07 cut in hourly wages, to \$7.90, and scales under which new workers get less.

Meatpacking is one of several industries whose troubles did not end when the economy gained strength. Despite union resistance—epitomized by the protracted Hormel strike in Austin, Minn., which ended in defeat in September—meatpacking wages are down from \$10.50 an hour to \$8.50 or less in many houses. Last year, Iowa Beef, known formally as IBP Inc., demanded that its workers accept a four-year wage freeze. Union members voted 2,250 to 50 to reject the company's offer and work without a contract. The company locked them out, and both sides agree that

no settlement appears near.

The drawing of the battle lines here underscores the bind that labor leaders find themselves in as companies press for continued concessions and union members grow increasingly resistant to them. As Harley Shaiken, an economics professor at the University of California in San Diego, put it, "What we're looking at is the post-concessionary era. Workers were willing to give when it seemed an emergency measure necessary to save their jobs, but are unwilling to accept concessions as a way of economic life."

## Tentative Settlement in Steel

In another troubled industry, steel, more than 22,000 USX Corporation workers in eight states have been idle for five and a half months because they refused to accept another round of concessions. With unemployment benefits about to expire and the USX directors set to meet in two weeks about restructuring the company, a tentative settlement in the work stoppage, which the company called a strike and union termed a lockout, was announced late last week. The package was said to be drawn in a way that would allow both sides to claim victory—management for wage concessions, labor for limits on subcontracting that would protect union jobs.

Other unions, too, are stubbornly balking at givebacks. Nearly 16 months ago, workers struck the Watsonville Canning and Frozen Food Company, which said it had to reduce base wages to \$4.25 an hour from more than \$7 because of changes in the way Americans eat and because it was losing business to competitors in Latin

America and Texas that paid lower wages. A similar demand for concessions brought a strike at the same time at Richard A. Shaw Inc., a large California packer of fruits and vegetables. More than 1,700 members of the International Brotherhood of Teamsters are affected.

In what may be another sign of growing resistance to concessions, major strikes seem to be on the rise again—if only slightly—after years of decline. There were 68 such walkouts last year, following 54 for all of 1985, the lowest level in nearly four decades, according to the Bureau of Labor Statistics, an arm of the Labor Department. Major strikes averaged about 285 a year in the 1960's and 1970's. The agency defines a major strike as one involving at least 1,000 workers and lasting at least one full shift.

Despite such indications that resistance is increasing, nearly one-third of the members of unions that settled in the first nine months of last year received either pay cuts or no raises.

Many businessmen see the granting of concessions as a fundamental change, a grim but necessary recognition that labor costs have to be reduced if the United States is to remain competitive.

Labor has found it increasingly difficult to live with that view. "Frankly, in the period that many companies bargained these concessions, they probably had very little choice," said Charles McDonald, chief organizer for the American Federation of Labor and Congress of Industrial Organizations. "It was a question of survival. But even then, unions never really expected this was going to be a permanent condition."

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# Does Moscow Mean It This Time?

**Soviet officials court American partners, making promises not kept in the past.**

By BILL KELLER

**T**EN years ago this month, the Bendix Corporation and the Soviet Union announced that they had started down the aisle toward a mixed economic marriage.

Socialist labor, wed to corporate capital and know-how, would give birth to spark plugs at a factory in the Soviet Union.

But after much talk about a new wave of Soviet-American ventures, the deal collapsed because of impenetrable Soviet bureaucracy and the Russians' reluctance to part with any of the profits, recalls William Agee, former Bendix chief executive.

"They would learn all our technology, and we would not even be profitable middlemen," said Mr. Agee.

The Bendix story is recounted frequently by Western businessmen here as a cautionary tale, now that the Soviet Union has begun a whirlwind courtship of Western partners aimed at creating the first genuine joint ventures on Soviet soil.

Despite the announcement of a new Soviet law allowing foreigners to hold equity for the first time in Soviet industry, despite high-level promises of managerial independence and tax breaks, despite the signing of three preliminary joint venture agreements with American companies, many Westerners remain deeply skeptical that the Russians will actually throw open their doors to Western style ventures.

"In order to make it worth your while, you're going to have to be offered the incredible plum of the Soviet market," said one Western commercial officer. "And that's exactly what the Soviets don't want."

Without access to the Soviet consumer market of 280 million people — and the right to take home profits in hard currency — Westerners say the appeal of joint ventures in the Soviet Union will be limited. Moreover, even corporate representatives who are now deeply involved in negotiations with Soviet officials on joint ventures say they have had no satisfying answers to some crucial questions:

• Will Western partners have authority to fire unproductive Soviet workers and reward good ones, based on their work habits rather than their party orthodoxy?

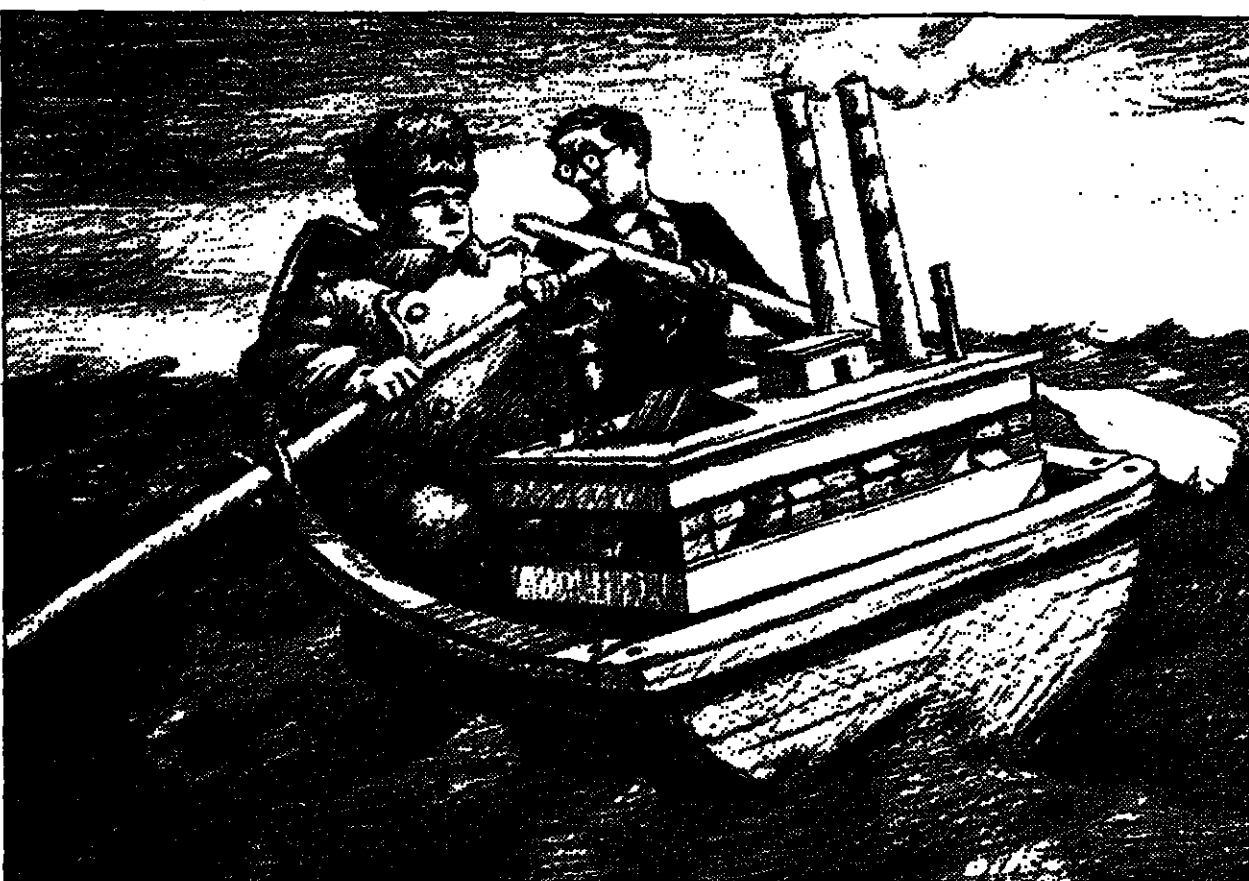
• Will joint ventures really be, as the Russians have promised, completely independent of the rigid, centralized Soviet planning system?

• What will a joint venture have to pay for Soviet fuel, raw materials, and notoriously unproductive labor?

"We have legal questions, tax questions. What about auditors?" says Stephen Mazurek, head of the Moscow office for Monsanto, which has signed a letter of intent to jointly own and operate a herbicide plant in the Soviet Republic of Kazakhstan. "I can give you 10 pages of questions — 20 pages if you like."

A Western trade official with personal experience in such partnerships added, "I've never been involved in a joint venture that wasn't a nightmare, even when both partners shared the same business culture. Here, you're talking about a collision of ideologies."

On the Soviet side, however, the enthusiasm for joint ventures seems real enough. According to Westerners, hundreds of American, European and Japanese companies have been



Drawings by Roger Roth

invited to submit proposals. Joint ventures have been touted in the official press and at international trade meetings as a way of raising the quality of Soviet products to "world quality," increasing exports and upgrading outmoded industrial technology.

According to a senior Soviet trade official, Yuri A. Kisenko, the Soviet Union will offer partners in these ventures "several" years of tax-free operations, "complete" independence from the centrally planned economy, and freedom to experiment with such Western management techniques as incentive pay scales.

Mr. Kisenko, who represents the ministry of foreign trade on a high-level government committee that is working out the terms of joint ventures, concedes that many details remain to be worked out. But he insists that under party leader Mikhail S. Gorbachev, the Soviet trade bureaucracy has unprecedented flexibility to write experimental contracts with Western partners.

Two American companies in addition to Monsanto have signed letters of intent to enter joint ventures. Occidental Petroleum has agreed to team up with Soviet partners to extract oil from already tapped oilfields in the Volga region, and is also discussing a joint fertilizer venture. And SSMC Inc., formerly the Singer Sewing Machine Company, has signed up to produce home and industrial sewing machines at a factory in Orsha, in the Republic of Byelorussia. Demand for the machines is likely to double, officials say, under a forthcoming law permitting individuals to set up small enterprises like home sewing.

Western and Soviet officials say these three agreements, and perhaps a few more, will be negotiated in detail over the next six months, and will test the waters for large-scale creation of joint ventures. Soviet officials say they are especially interested in chemicals, pulp and paper, food processing, and almost anything high tech.

**T**WO Western skeptics, Soviet officials reply that they have worked with the West before, successfully. Pepsi-Cola, for example, is bottled in Soviet plants under a license from the American company, and Coca-Cola is to follow later this year. PepsiCo and McDonald's are negotiating to franchise fast-food pizza and hamburger outlets.

The Russians have long engaged in joint ventures with Western concerns outside of Soviet territory, including

one Soviet-American venture, U.S.-U.S.S.R. Marine, in which American fishermen deliver fish and crab to Soviet processing ships anchored inside the American 200-mile limit. The Russians' biggest auto plant, in the Volga River town of Togliatti, was designed by Fiat, and some of the newer Soviet autos were designed with help from Renault and Porsche.

There are also numerous co-production agreements with West European companies, including one in which Russian cement mixers are shipped to West Germany and mounted on truck chassis.

"These enterprises also started out with some hesitation and suspicion, but we passed that stage," said Mr. Kisenko. "Now they operate practically on their own, and they are even expanding their range of products." Ten years ago, when the Bendix venture folded, "we were not ready for joint ventures," he said. "We were simply not ready."

Joint ventures would indeed be a radical departure, challenging the fundamental assumption of Marxist-Leninist economic thinking, that the "means of production" cannot be privately owned.

Under a new law, which the Soviet news service Tass announced last Tuesday had quietly taken effect on Jan. 1, foreigners would own a share — up to 49 percent — of the means of production, would share in management of a predominantly Soviet work force, and would be entitled to repatriate profits earned by the sweat of Soviet workers.

The initial driving force behind the Soviet push for joint ventures was a desire to upgrade outmoded factories with modern equipment, and to improve productivity. The Russians estimate that less than one-third of their production is at "world quality," and Western experts say even that grim admission is too kind.

Until recently, the Russians seemed bent on buying their way into the age of computers and robotics. Then the price of the country's major export, oil, plummeted, and with it the reserves of hard currency available for modernization. "A couple of years ago, all they could talk about was turnkey plants," said a Western economist. "They were flush with cash, and the idea was that they would jump across the technology gap — they would buy a shoe factory, a polypropylene chemical plant, an auto plant. But as the oil prices fell, these projects were postponed and policy switched to joint ventures."

Soviet officials have increasingly tended to talk about joint ventures as a way of increasing exports to third country markets, in order to generate hard currency. This gives many Western companies pause. "What markets can the Soviet Union deliver that Western companies don't already reach?" asked a commercial officer. "Afghanistan? Vietnam? The real plum is the Soviet market, and it's not at all clear that will be open."

**A**CCORDING to Western business sources who declined to be named, SSMC was originally told it could sell its Soviet-American sewing machines in the Soviet Union and take out its profits in hard currency. More recently, these sources said, Soviet officials have told the American company that the venture will have to generate its own hard currency by selling to markets outside the Soviet Union, where Singer is already the market leader.

SSMC's fears appeared to be confirmed last Tuesday when additional details of the new joint venture rules were published in the Soviet press. One of the rules provides that the hard currency profits of Western partners cannot exceed the amount of currency the joint ventures generate by selling outside the Soviet Union.

"This might restrict somewhat the number of Western firms striving to participate in the creation of a joint enterprise on the territory of the U.S.S.R.," the news agency Tass conceded. Said one Western diplomat, "the people who are pushing this within the Government have sold it as a vehicle to address the decline in hard currency. To the extent that's what it is based on, it's going to fail."

Despite their misgivings, Westerners say some companies may be willing to take a marginally profitable plunge simply to get a foot in the door of a new and percolating market.

"This is the biggest country in the world, and it will be one of the biggest growth areas around if Gorbachev succeeds; you can feel things are changing," said Greg Oztemel, chief Moscow representative of the Satra Corporation, a trading company that does about \$100 million a year buying Soviet metals and selling Soviet autos in Britain.

Westerners say Soviet industry has some obvious attractions as a place to set up joint ventures. The country is rich in coal, oil, metals and timber — assets especially appealing to the Japanese, who are short of natural resources. Soviet engineers are highly regarded for their competence, especially in such fields as sheet metal, casting and forging.

And, as one Westerner pointed out, pollution controls that have closed some older plants and required costly cleanup technology in the United States, are minimal in the Soviet Union. On the face of it, Soviet labor is cheap. The average industrial worker earns 195 rubles, about \$28 a month.

But Soviet officials have yet to explain how much joint ventures will be required to contribute to such benefits as housing and medical care, which are heavily subsidized by the Government. And there is the "hidden cost" in the fact that the average Soviet worker produces less than a worker in, say, Taiwan.

Mr. Kisenko said it was "premature" to discuss the possibility of Western managers firing Soviet workers, but he noted, "in Western Europe, firing a worker is also a very complicated process. Many people raise this question, but in my opinion it is not one of the most important."

What is a problem, he said, is opposition from the American Government. The Pentagon's fear that Western computers will end up guiding Soviet missiles, the punitive export controls imposed after the Soviet invasion of Afghanistan, and possible trade barriers against Soviet-American products, all loom as potential spoilers of the joint venture movement, he said.

But Westerners say these concerns are minor compared with the basic problem of merging two warring economic systems.

"The Soviets have talked to hundreds of Western companies about joint ventures, so they know what people want to hear," said one Western official. "But when it comes down to knowing what is involved, I'm afraid they don't. They just don't understand the difficulty ahead."

# The Economy

WEEK IN BUSINESS

## Murdoch Wins an Australian Dust-up

Rupert Murdoch came out on top of the battle of the media titans in Australia. In a deal struck with his rival, Robert Holmes à Court, Mr. Murdoch cleared the way to take control of the Herald and Weekly, Australia's largest media group. In turn, Mr. Holmes à Court, who agreed to withdraw his \$1.4 billion bid, is to purchase the group's two Perth newspapers and its Melbourne television stations, which many analysts said were what he really wanted. Mr. Murdoch thus regains much of the media empire built by his father, Sir Keith Murdoch.



Rupert Murdoch and Robert Holmes à Court

The dollar plummeted as United States officials looked on, apparently challenging allies to a dual of wills. If the dollar keeps falling — its slide eased somewhat at the end of the week — both the United States and its major trading partners, notably Japan and West Germany, will be hurt. To be sure, the American trade gap will be reduced, as the Administration wants. But imports will be more expensive, and that could fuel inflation at home. For trading partners, a cheaper dollar means American goods are cheaper, but that worsens their own trading situations. Indeed, Japan reported a record \$82.7 billion surplus in trade with the United States for 1986, \$8.7 billion of that in December. But a free fall of the dollar is feared by all, since it could mean chaos.

The European Monetary System, as expected, realigned its currencies, effectively devaluing the franc, lira and Irish and Danish currencies. The system has been worried about the sharp appreciation of the German mark and the effect of the dollar's drop on their economies.

Stocks zoomed in a new-year phenomenon that analysts were not comfortable explaining. The Dow Jones industrial average has risen more than 9 percent in the 11 trading days of 1987, and investors who stayed on the sidelines during previous rallies jumped in, pushing volume to record levels. Maybe it's extra cash that investors have after taking capital gains in late 1986, analysts speculated. Or maybe investors are fleeing the bond markets, where prices dropped sharply as the dollar fell. Or maybe it's just optimism — unwarranted, some said — about the economy. Regardless, the Dow kept going up and finished the week with a 70.72 gain, at 2,076.63.

Retail sales jumped 4.4 percent in December, spurred by sales of new cars. But some analysts said those big-ticket sales were an aberration created by buyers rushing to take advantage of the sales tax deduction one last time. In fact, car sales were off sharply in early January. ... Business inventories fell two-tenths of 1 percent in November and sales rose, so the inventory-to-sales ratio fell to 1.35. ... Industrial production rose a strong five-tenths of 1 percent in December, and industries were at 79.6 percent of capacity, up from 79.4.

Diamond Shamrock rejected T. Boone Pickens's offer of \$15 a share, or \$300 million, for 18 percent of the

oil and gas company. Shamrock said it would prefer another way to find good value for its shareholders, and analysts speculated that it would seek to repurchase its own shares.

American approached Pan Am about a possible buyout, industry sources said, and another bidder may also be interested. Pan Am has been in some financial trouble recently and its international routes are very attractive to other airlines.

Guinness ousted its chairman, Ernest Saunders, the focus of one of Britain's largest stock scandals. The acting chairman admitted Government allegations that Guinness had set up an illegal "fan club" to buy Guinness shares to enhance its successful bid for Distillers.

CBS chose William S. Paley, its founder, to be chairman again, and picked Laurence A. Tisch as president, moves that surprised few. Mr. Paley, who had retired last year, and Mr. Tisch were instrumental in ousting Thomas H. Wyman.

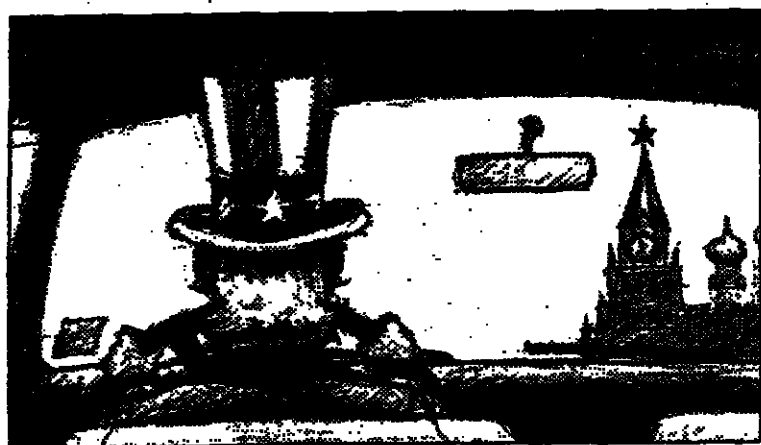
RJR Nabisco is selling Heublein to Grand Metropolitan for \$1.2 billion, giving Grand Met an even bigger presence in distilled spirits. Since its formation in a 1985 merger, RJR Nabisco has been shedding operations that do not involve tobacco or food.

A.T.&T. banned pregnant women from work on its chip assembly lines after a study showed that miscarriages were occurring at those kinds of operations at twice the national rate. Doctors and the company are unsure of the reason for the high rate.

Oil prices rose above \$19 a barrel, their highest in a year. Analysts attribute the rise to optimism that a new OPEC pricing and quota accord will hold.

Republic Bank is writing down much of its portfolio of loans to Mexico. Mexico's debt repayment program has been troubled by the fall in oil prices, and some analysts say Republic may be jumping the gun, given the recent price improvement.

## EASING THE BRAKE ON SOVIET-AMERICAN TRADE



**WASHINGTON** Representative Don Bonker, Democratic chairman of a House subcommittee on international economic policy, likens American-Soviet economic relations to a motorist with one foot on the accelerator and the other on the brake.

From this perspective, Moscow's new joint venture proposals appear to mean less drag on the brake, in the view of many analysts, although the Reagan Administration remains split between Defense Department hardliners who see a military peril in practically any commercial relations with Moscow, and the Commerce and State

Departments, which are attuned to commercial and diplomatic interests.

The National Academy of Sciences lined up with Commerce and State last week, releasing a report that calls for less restrictions on trade with the Soviet Union and observing pointedly that current controls had cost the American economy \$9.3 billion in 1985, including 188,000 jobs. Figures for 1986 have not yet been available.

A test of the Administration's response both to the Soviet reforms and to the demands of American exporters came last Thursday when the Administration decided to ease restrictions

on the export of non-strategic oil and gas equipment and technology, much of it used for exploration. The restrictions had been in place since 1978.

The Commerce Department said the action was mainly the result of pressure from domestic manufacturers, but the action was seen as an indication that the Administration would allow more trade with the Soviet Union. Currently, United States-Soviet trade accounts for only \$5 billion of the Soviet Union's \$50 billion a year in trade with the West.

In addition to export controls, the other main barrier to Soviet-American trade is the Jackson-Vanik amendment of 1974 denying the Russians most-favored-nation tariff treatment because of Soviet restrictions on emigration of Russian Jews to Israel and the United States.

Some legislative leaders, including Senate minority leader Bob Dole, have raised the possibility of a temporary suspension of Jackson-Vanik as an inducement to Moscow to permit more emigration. Last year fewer than 1,000 Jews were permitted to leave the Soviet Union, compared with 34,700 in 1973 and 54,000 in 1979.

The New York Stock Exchange				
MOST ACTIVE STOCKS				
WEEK ENDED JANUARY 16, 1987				
(Consolidated)				
Company	Sales	Last	Net Chng	
Pan Am	18,670,300	6	+ 1 1/2	
IBM	15,093,100	120	- 2 1/4	
AT&T	12,997,600	28	+ 3/4	
Navistar	12,828,700	6	+ 1/4	
Goodyear	10,445,200	43	- 1 1/4	
Phil Pet	10,204,600	12 1/2	+ 1/2	
Nt Semi	9,179,400	13 1/2	+ 1 1/4	
Own Ill	8,866,600	55 1/2	+ 1/4	
Puget P	8,677,200	21 1/4	- 3/4	
USX	8,664,800	23 1/2	+ 1	
Pepsi C	8,177,900	30 1/4	+ 2 1/4	
Arch D	8,073,400	18 1/4	- 1	
Schlmb	8,052,700	36 1/4	+ 3/4	
Hewlett Pk	7,710,300	50	+ 3 1/4	
Mobil	7,683,700	43 1/2	+ 2 1/2	
MARKET DIARY				
	Last	Prev.	Week	
Advances	1,440	1,885		
Declines	596	228		
Total Issues	2,208	2,212		
New Highs	384	276		
New Lows	16	20		
VOLUME				
(4 P.M. New York Close)	Last	Year	Week	To Date
Total Sales	1,040,732,500	2,082,205,390		
Same Per. 1986	607,716,610	1,543,846,122		
WEEK'S MARKET AVERAGES				
	High	Low	Last	Chng
New York Stock Exchange	177.6	171.2	176.9	+5.63
Indust	129.0	124.6	129.0	+4.07
Utilities	78.7	77.6	78.6	+0.80
Finance	155.4	153.4	154.2	-0.06
Composite	152.8	148.2	152.2	+3.82
Standard & Poor's				
400 Industrials				
299.3	287.6	298.2	+9.74	
20 Transp	216.8	208.6	216.5	+6.81
40 Utilities	120.3	118.1	120.2	+1.77
40 Financials	29.5	29.0	29.3	+0.05
500 Stocks	267.2	257.9	266.2	+7.55
Dow Jones				
30 Industrials	2099.6	1967.6	2076.6	+70.72
20 Transp	879.3	842.5	872.2	+18.29
15 Utilities	224.6	217.2	222.8	+3.85
65 Comb	810.3	772.8	802.4	+22.39
The American Stock Exchange				
MOST ACTIVE STOCKS				
WEEK ENDED JAN. 16, 1987				
(Consolidated)				
Company	Sales	Last	Net Chng	
WangB	6,067,000	13 1/4	+2 1/2	
CustEn	4,043,500	1 1/4	+ 1/4	
LoTeln	3,970,300	16 1/4	- 1/4	
Wickes	3,265,700	3 1/4	...	
BAT	3,226,300	7 1/2	+ 1/4	
TextAir	3,092,900	39 1/4	+2 1/2	
HmeSh	2,259,200	53	+7 1/4	
Amdehl	1,702,100	27 1/4	+ 1/4	
AM Intl	1,341,300	7 1/4	+ 1/4	
WDigit	1,268,800	21 1/4	- 1/4	
MARKET DIARY				
	Last	Prev.	Week	
Advances	513	709		
Declines	285	112		
Unchanged	131	104		
Total Issues	929	925		
New Highs	115	85		
New Lows	14	19		
VOLUME				
(4 P.M. New York Close)	Last	Year	Week	To Date
Total Sales	55,849,975	180,970,350		
Same Per. 1986	50,657,965	137,583,120		



# The New York Times

Founded in 1851

ADOLPH S. OCHS, Publisher 1896-1935  
ARTHUR HAYS SULZBERGER, Publisher 1935-1961  
ORVILLE DRYFOOS, Publisher 1961-1963

ARTHUR OCHS SULZBERGER, Publisher  
MAX FRANKEL, Executive Editor  
ARTHUR GELB, Managing Editor  
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## Unsinkable South Africa

It's not hard to figure why South Africa's white rulers are excluding foreign journalists, like reporters for The Times, and stifling what was once the freest press in Africa. President P. W. Botha wants fewer television pictures and better newspaper headlines. He wants his National Party to overwhelm all opponents in the election looming this spring. He wants to keep the good news flowing, like champagne at the captain's table on an unsinkable Titanic.

Unsinkable South Africa. What a wonderful delusion, kept afloat by force. White South Africans have long been insulated from disagreeable features of apartheid. Residential segregation means that black townships, with their terrible squalor, are wholly out of sight. Britain's Foreign Secretary, Sir Geoffrey Howe, was astonished to discover during a visit to Johannesburg last year that no road signs showed the way to ramshackle Soweto, one of the biggest cities in all Africa.

The state controls all television — and permits no coverage of violence in unseen townships. Real debate between blacks and whites is constrained — occurring, indeed, only when ABC's Ted Koppel brings his "Nightline" show to South Africa. Jailed or banished black leaders cannot be quoted in the country's press. When South Africa invades a neighbor, it is an offense to publish any information about troop movements or casualties without permission.

These are mostly longstanding restrictions, along with deliberately vague laws making it an offense to stir racial hostility or divulge false information about prison conditions. Yet for years these curbs have been courageously challenged by South African newspapers, notably the English-language press. It was a major setback in 1985 when the English-speaking businessmen let the outspoken Rand Daily Mail go under. The Government was jubilant, and a cynical deal was struck allowing a share of state-run television profits to the remaining English-language papers.

In November 1985, it was the turn of the foreign press. All cameras and sound equipment were forbidden in black townships without police permission, a ban that knocked racial unrest off the world's evening news. Pretoria followed up last month by imposing total censorship on all publications, domestic and foreign, and by barring reporters from The Times and other publications.

As a result, Mr. Botha's prospective voters are now protected from any news that might disturb their breakfast. The only news they are allowed to read is filtered. Only authorized reports are permitted concerning arrests at home or military raids against black neighbors. If South Africa would now only jam incoming radio and ban foreign publications, it could boast that it is outdoing the Soviet Union.

In the near term, censorship may assure Mr. Botha's regime an election victory. In the near term, autocratic governments can always prevail because they can press a lid on news, on politics and on people. But they cannot press a lid on the truth of injustice and the reality of pain. Sooner or later, the future will claim its pitiless price.

## Pregnancy Leave for Women, and Men

For women serious about both career and family, life can quickly become a difficult balancing act. A new Supreme Court decision promises to make the balancing a bit easier. It allows states to guarantee job-protected leave to pregnant workers.

The Court upheld a California law that requires most private employers with five or more workers to give women unpaid pregnancy disability leave of up to four months. They would be entitled to reinstatement to the same job on their return. Is such special treatment inconsistent with Federal laws prohibiting sex discrimination?

By a 6-to-3 vote, the Court said no. Federal law does mandate that pregnant employees be treated no worse than nonpregnant employees, Justice Thurgood Marshall reasoned, but that does not prevent an employer from treating them slightly better. In fact, he said, the California law furthers the Federal goal of equal employment opportunity for women because it "allows women, as well as men, to have families without losing their jobs."

The California law, he noted, does not compel favorable treatment of pregnant workers by employers. It merely establishes minimum standards that an employer could extend to all workers.

Women are more likely to work in smaller com-

panies, which may balk at the implications. Yet by now working mothers are so large a fact of business life that employers would do well to confront the issue. More than 70 percent of all working women are of childbearing age and, according to one estimate, more than 90 percent of them are likely to become pregnant during their working lives. Some people fear that the decision may actually generate a harmful backlash as employers simply refuse to hire women.

That is a legitimate worry. The best response, however, isn't to deny pregnancy leave to women but to permit more leaves for everyone. That is the thrust of a proposed Parental and Medical Leave Act, co-sponsored by Representatives Patricia Schroeder of Colorado and William Clay of Missouri. Their bill would grant new parents up to 18 weeks of unpaid leave to care for newly born, newly adopted or seriously ill children. It would also protect the job of any employee who needs up to 26 weeks to recover from any serious health condition.

Such a national policy, promoting health, job and family stability, would show, again, how the goals of the women's movement turn out to benefit men.

## Mr. Shawn

William Shawn, the editor of The New Yorker, is a legendary fussbudget. "Questioning a comma," the critic Brendan Gill wrote of him, "he will shake his head and say in his soft voice that he realizes perfectly well what a lot of time and thought have gone into the comma and that in the ordinary course of events he would be the first to say that the comma was precisely the form of punctuation that he would have been most happy to encounter at that very place in the sentence, but isn't there the possibility — oh, only the remotest one, to be sure, and yet perhaps worth considering for a moment in the light of the care already bestowed on the construction — that the sentence could be made to read infinitesimally more clearly if, say, instead of a comma a semicolon were to be inserted at just that point? And the author, touched by Shawn's sympathy, agast with admiration for the skill of his circumlocutions, and determined at all costs to prevent Shawn from suffering the humiliation of having his proposed semicolon rejected, throws up his

hands and exclaims, 'Much clearer your way!'" Mr. Shawn, who retires next month, has been performing his extraordinary micro-surgery for 55 of the magazine's 62 years. His authors and his fellow editors will miss that hawk eye very much. But the people to feel sorriest for are those writers and editors who haven't experienced it. For several generations of such folk, winning the chance to work with William Shawn was like being asked to dance with Fred Astaire.

The magazine he inherited from Harold Ross, and that is now being handed on to another superb editor, Robert Gottlieb, was not, Mr. Ross said, to be edited for the old lady in Dubuque. Nonetheless, it has found some of its most devoted readers in small towns and sleepy cities, and among the old as well as the young. Many people still speak of the mourning wails of faraway trains, and of how they made them restless for everything that was not Dubuque, or Wauwatosa, or Columbus. That siren call was also sounded by William Shawn's New Yorker.

## Topics

### Movers and Shakers

#### Honors and Merit

Sentiment counts for little when the Federal budget ax is swinging but power is still power. That's quite evident in two scholarly footnotes to President Reagan's plan for fiscal 1988.

Mr. Reagan proposes to wipe out the Christa McAuliffe fellowships for talented teachers, barely three months after Congress named them for the talented teacher who perished in the Challenger space flight. The McAuliffe program's aims are to be served by a proposed new and larger teacher training program, the Administration says, and officials promise to name the new program after Mrs. McAuliffe, too. But that depends on Congress's adopting the program.

The legislation that named the McAuliffe fellowships also renamed the National Merit Scholarships as

the Robert C. Byrd Honors Scholarships, and guess what? The President didn't lay a finger on them. Priorities are priorities and Mr. Byrd is the new majority leader of the Senate.

#### All in One's Stride

To walk with a spring in one's stride is no longer a mere phrase. Scientists at Leeds in England have measured the springiness in the arch of the human foot. Running, in their analysis, is a matter not of sweat and endurance but of storing and expending energy between strides — "like a rubber ball bouncing along."

For a fast runner, they report in Nature magazine, the total energy due to movement and gravity falls by 100 of the units known as joules as the foot touches the ground, and rises by

100 joules as the runner pushes off again. Don't be drained by the thought of losing all those joules as your puff gives out. Some 35 of them are stored in the stretch of your Achilles' tendon, and another 17 in the elastic parts of the arch of your foot. Much, but not all of the energy is returned to you as you pogo along.

The arch of the foot gives back 70 percent of the energy stored in it, Thomas McMahon of Harvard says in a commentary on the article. That's a better performance, he notes, than even a high-quality running shoe, which returns only half the energy spent in squashing its sole.

Runners can take pride in the newly appreciated efficiency of their locomotion. But anyone who prefers to stress the springs of a couch may now think of running as mostly bouncing.

## Letters

### Here's to 200 Years of Minority Protection

To the Editor:

Judge Irving R. Kaufman attempts to weaken the intent of the Constitution by raising the old question of the intent of the Framers (Op-Ed, Jan. 2). He implies that not knowing about jet planes and atom bombs and indeed even railroads and telegraphs, the Framing Fathers should not be allowed to stop judges from changing the Constitution.

He is wrong. There is nothing about the Bill of Rights that has its rules changed by new inventions. Freedom of speech or religion, or other guarantees, are not changed by radio or jet bombers.

The important thing about the Constitution is that it was a compromise under which free men agreed to give up some of their freedom in return for security and certain mutual advantages. But they very emphatically and very definitely did not give up all liberties into some sort of a melting pot. The Constitution is most certainly not based on "one man, one vote." If it were simply a question of the will of the majority, there would be no need for a Constitution. Each question would be resolved by the majority at a given time — and changed as that majority changed.

The whole point of the Constitution is that it shares power in a limited way. Certain things are not to be decided by the majority. The minority has rights that it did not intend to surrender and does not want to surren-

der. These are the rights that are protected for everyone.

Rhode Island and Delaware did not accept rule by the bigger states, the minority religions did not accept control by the larger religions, and so on through a long list. Sometimes it bothers minorities, and they (naturally believing they are right) would like to sweep aside objections from minorities. But today we are celebrating 200 years of minority protection — not 200 years of the rule of the majority.

And that — not arguments about the Framing Fathers understanding the jet planes and computers — is what we celebrate this year. Judges, no matter how high-minded, should step very carefully when they try to erode the power of the minority to retain its liberty, because we are all part of some minority.

GENE SULLIVAN

Duxbury, Mass., Jan. 5, 1987

#### Original Intent

To the Editor:

Judge Irving R. Kaufman's characterization of original intent in constitutional matters as "a largely specious mode of interpretation" is at odds with the views of two of our most prominent Framing Fathers, James Madison and Thomas Jefferson.

Madison, leading figure at the Constitutional Convention and often referred to as the Father of the Constitution, wrote that if "the sense in which the Constitution was accepted

and ratified by the Nation... be not the guide in expounding it, there can be no security for a consistent and stable government, more than for a faithful exercise of its powers."

And Thomas Jefferson, in a letter to Justice William Johnson, stated: "On every question of construction, carry ourselves back to the time when the Constitution was adopted, recollect the spirit manifested in the debates and, instead of trying what meaning may be squeezed out of the text, or invented against it, conform to the probable one in which it was passed."

Original intent determines the truth of things and is a compass for the direction. Without original intent, the Constitution becomes wax in the hands of an unelected and unaccountable Federal judiciary. The intent of the Framers can well be established from Max Farrand's four-volume "Records of the Constitutional Convention of 1787," from the Federalist Papers and from Jonathan Elliot's "Debates in the Several State Conventions on the Adoption of the Federal Constitution."

Judge Kaufman's enthusiastic espousal of judicial supremacy is well known. Writing for the American Bar Association Journal in April 1980, he admiringly quoted a rhapsody about the judge "as high priest of justice with special talents for elucidation of the law, that sacred and mysterious text that is inscrutable even to the educated layman." James Madison, no lawyer but merely an "educated layman," would have found those words not only ridiculous but also ominous.

CSABA VEDLIK JR.

Alexandria, Va., Jan. 7, 1987  
The writer is co-author, with Representative Robert K. Dornan, of "Judicial Supremacy: The Supreme Court on Trial."

#### Why We Need the Fifth

To the Editor:

Mickey Kaus's argument for abolishing the Fifth Amendment's self-incrimination clause (Op-Ed, Dec. 30) shocked me into awareness that much of my sense of being a free person rests on my knowledge that the Bill of Rights obliges the state to respect certain boundaries of my being, an essential one of them being my right not to bear witness against myself unless I freely so choose.

Putting oneself in jeopardy by telling the truth is in essence a noble and courageous act, and letting such an act be gratuitous rather than compulsory is our way, as a society, of acknowledging that, of saying that we respect the human conscience enough to give it time and room to operate freely. Take away the Fifth Amendment and we shall feel not like citizens with consciences but subjects obliged to do whatever we're told. And we shall reciprocate, the state's disrespect and distrust of us with sullenness and fear.

And our fear will be understandable, for when the state is allowed to say, "You must talk," it will inevitably add, "We have ways of making you talk." We may have outgrown the rack and the pillory, but not the desire to extort confessions by whatever means are allowed us. And we are ingenious at finding new means to achieve our desires.

Just imagine the McCarthy-era blacklist brought into the computer age. Imagine cheap and foolproof polygraphs made compulsory. Imagine psychological manipulation raised to the level of a fine art on fat defense-research grants. Now think of some of the barbarous statutes of our recent past and imagine what horrors the popular prejudices of tomorrow might write into law.

Will my great-grandchild be forced to send himself to jail by admitting he made love with someone of the wrong blood type, or drank a cup of coffee, the illegal drug of the 22d century? Mr. Kaus trusts the First Amendment and "advances in jurisprudence" to shield us from such nightmares, but I cannot share his faith. I want that Fifth Amendment to stay right where it is.

JOHN EDMISTER

New York, Jan. 1, 1987

### Constant Calendar Unfair to Sabbaths

To the Editor:

Although possibly well intended, John M. Culkin's proposal "Once and For All, a Constant Calendar" (Op-Ed, Jan. 3) is not very enlightened. An extra nonweek "week-day" would convulse the orderly progression of the Sabbaths of several religions, each Sabbath occurring exactly seven days after the preceding Sabbath. To those whose tradition is rooted in observance of the Sabbath (be it Saturday or Sunday), such proposals are insensitive and incendiary.

Even the two great calendar reforms of human history, Julius Caesar's institution of leap years and the intercalation of 67 days in the year 46 B.C. (the "year of confusion") and Pope Gregory XIII's reform of 1582 (a 10-day adjustment and elimination of three leap days every 400 years), did not dare tamper with the orderly progression of the seven-day week.

It is an act of nature that the earth takes about 365 and not 364 (a multiple of 7) days to complete its orbit. Despite this seeming irrelevance for human mathematics, the spheres have punctiliously and harmoniously completed their destined orbits for billions of our years.

This harmony we should emulate, with proposals not for strife, but for peace.

SOL WEINTRAUB

Flushing, Queens, Jan. 4, 1987



To the Editor:

The Constant Calendar of John M. Culkin has a lot of merit. However, if we are going to think about major calendar revision, consider a 13-month year (28 days in every month equal 364 days a year). With a 13-month calendar, all dates also have a uniformity, with Monday being the 1st, 8th, 15th and 22d day of the month. Every month is exactly four weeks long — unlike the Constant Calendar, where months vary from four to five weeks.

JOHN K. ALLISON

Farmingdale, L.I., Jan. 3, 1987

### How to Justify a U.S.-Grown Form of Apartheid

To the Editor:

Profs. Michael and Margarita Levin claim that whites have a moral right to discriminate against blacks — the innocent as well as the guilty — by such measures as excluding blacks from their stores as long as, first, this discrimination would make black-on-white assault less likely and, second, that the harm inflicted on whites by that assault would be worse than the harm inflicted on innocent blacks by such discrimination (letter, Jan. 11).

This moral reasoning could justify apartheid in the United States. Suppose that total exclusion of blacks from white society would reduce the U.S. black-on-white murder rate. Since being murdered is worse than being forced to live among one's own race, then according to the Levins, apartheid here would be morally justified.

The Levins are proposing collective responsibility — penalizing all individuals in a group for the crimes of

some members — a practice that, despite its possible effectiveness as a crime deterrent in some situations, is opposed by jurists as a grave violation of moral principle.

Moreover, by selecting innocent blacks for collective responsibility, the Levins have chosen the wrong group. Most street crimes are committed by a small group (a few thousand in New York) that is disproportionately black, but that is more disproportionately young (16 to 25 years old). The likelihood that a street criminal is young (either a minority-group member or white) far exceeds the likelihood that he is just black.

Would the Levins propose that all innocent youths — including innocent white youths — be held collectively responsible for crimes they never committed?

GERTRUDE EZORSKY

Professor of Philosophy

Brooklyn College

Brooklyn, Jan. 11, 1987

### Child Support: An Anxiety Mill for Mothers, Fathers and the Law

To the Editor:

In "It's Getting Harder to Cheat Children" (editorial, Jan. 5), you again criticize absent fathers. But has anyone bothered to examine how child support is actually used by the custodial parent?

Perhaps there's as much cheating committed by custodial mothers who apply child support to their own pleasures rather than the needs of the children. Perhaps absent fathers become disenchanted with sending large checks to their ex-wives only to see their children in tattered clothes and rundown shoes or needing haircuts when they visit. Perhaps absent fathers grow tired of bearing the entire burden of financial support for their children in cases where the mother simply refuses to work, preferring to punish her ex-husband by using the children as income producers.

Fathers are not heartless bums. Many are converted to mere wallets for children they aren't permitted to see regularly. The measures now available for use against "delinquent" fathers are a step in the direction of protecting vulnerable children. But the best way to insure that children are adequately cared for, follow-

ing divorce, is to address the lopsidedness of the system and require mutual responsibility and accountability. Only then will the children benefit.

DEBORAH H. PERKINS

Redding, Conn., Jan. 6, 1987

To the Editor:

"It's Getting Harder to Cheat Children," on Federal efforts to improve child-support enforcement, ignores the substantial and complementary efforts made by New York State. Beginning with legislation I sponsored eight years ago, New York has enacted comprehensive reforms that go beyond the 1984 Federal mandates, including laws providing for wage attachments and property liens, and the interception of tax refunds of recalcitrant parents before 1984. Severe restrictions were also placed on judges' ability to forgive or retroactively reduce child support in arrears.

In the last two years, we have enacted new laws — providing that judges cannot forgive or reduce accrued arrears for nonpayment of child support under any circumstances; that temporary support must be awarded pending determination of permanent support, and that free legal services be supplied by the Department of Social Services to establish and enforce child-support obligations whether or not the custodial parent is on welfare.

With many women and children forced to depend on public assistance because of lack of child support, it is imperative that New York not rely on the Federal Government alone, but continue recently vigorous efforts to make child support more than an empty promise for thousands of our children.

JERROLD L. NADLER

Member of Assembly, 67th Dist.

Albany, Jan. 7, 1987

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# Revive SALT II, Get Frankenstein

By Bob Dole

WASHINGTON — If Dr. Frankenstein were around today, he could offer a very useful reminder to some Democratic members of Congress: it's mighty dangerous trying to breathe new life into a dead body.

The SALT II treaty is dead and buried. But Congressional Democrats are threatening to dig up the corpse, take a few of its provisions and force the President — through legislation — to comply with them.

Any such effort may be unconstitutional, because in effect it would involve the House in treaty ratification — a Senate prerogative. Moreover, if legislation forced American compliance with the provisions Moscow is observing, that would put us in the absurd position of allowing the Soviets, unilaterally, to decide what parts of

## Why hand the Kremlin a victory on a silver platter?

the treaty we keep and what parts we trash. And, finally, such legislation would undermine the chances of achieving a good nuclear arms reduction agreement.

The President decided to end our policy of voluntary compliance with the never-ratified SALT II treaty at the right time and for the right reasons. Before implementing his decision last November, he gave the Soviets chance after chance to correct their longstanding, serious violations. Moscow turned a deaf ear.

He gave the Soviets ample opportunity to demonstrate restraint in the development of their forces within the provisions of the treaty. What we got was the development of two new offensive missile systems (the second a blatant violation) and a near-doubling of Soviet stockpiles of nuclear warheads. Indeed, we have been fast approaching the point where Soviet first-strike potential could seriously compromise our ability to retaliate — the basis of the doctrine of deterrence. The President, finally, had no choice

Bob Dole, Republican of Kansas, is Senate minority leader.

but to make the decision he did.

And what about the arguments being made by proponents of continued compliance? Basically, they boil down to two points. First, that the President's decision will "poison the atmosphere" for arms control negotiations. And, second, that the Soviets will respond with another dramatic increase in weaponry that we are not in a position to match.

The first argument is bunk, pure and simple. Since the President's decision, Mikhail S. Gorbachev and a whole host of other Kremlin spokesmen have made it clear that Moscow wants to keep arms control talks going. Indeed, the Kremlin's reaction to the SALT decision has been more moderate than that of many Democrats in Congress — reflecting Moscow's evident, and accurate, view that the treaty is already technologically obsolete.

Of course, continuing the talks doesn't mean we will reach an acceptable agreement. But it underscores the fact that the Soviets, as always, will make their decision on whether or not to negotiate solely on two factors: First, is there anything in it for them? And second, can they get what they want in other ways? If we make it clear they're not going to achieve their strategic goals by out-muscling us or by cheating on existing agreements, they will be more, not less, likely to engage in serious arms control talks.

Nor does the second argument hold water. While it may be true that the Soviets are better poised than we are to expand their nuclear forces in the short run — that's one of the benefits they derived from their long record of cheating on SALT II and every other arms control agreement — it is ridiculous to believe they have been restrained from doing so until now by the SALT II treaty. Indeed, they have already enjoyed a vast military buildup within the SALT limits. And even if SALT II remained intact and the Soviets scrupulously observed it, they could still add 5,000 to 6,000 new warheads over the next few years. The Soviets will keep building up, by hook or by crook, if they can get away with it; they will stop when it is clear they can't. It's that simple.

If Congressional Democrats try to force us back into SALT II compliance with legislation, they will have a fight on their hands. The President and most Republican Senators will use every available power and parliamentary procedure to thwart their efforts, including trying to call up the treaty itself for a Senate vote. We simply cannot afford to hand Moscow, free and on a silver platter, a major arms control victory over our country.



## When Mr. Reagan Chooses Doctors

By Harry Schwartz

SCARSDALE, N.Y. — Do as I say, not as I do. That would seem to be President Reagan's maxim on Medicare for the elderly.

Mr. Reagan's policy toward Medicare has emphasized cost containment above all else. His latest budget proposal would cut nearly \$5 billion from the Medicare program. The measures taken under that policy have all aimed at cutting hospital costs and drastically limit senior citizens' choices of physicians.

The latter aim has been served by a policy of urging Medicare beneficiaries to enroll in so-called Health Maintenance Organizations, which restrict patient choice to a very limited number of doctors. The Reagan Administration has also pushed senior citizens to use so-called participating physicians who accept lower fees for their work.

Even before President Reagan's recent colonoscopy and prostate operation, a McGraw-Hill survey had revealed that no one in Congress or in the executive branch who advocated H.M.O.'s for others belonged to one themselves. When it comes to their own treatment, they, like the President, all prefer fee-for-service medicine, in which they can freely choose the physician.

What the difference means in practice has now been vividly illustrated by President Reagan's choice of physicians to provide his recent medical care. Rather than pick from among the abundant number of excellent Government or private doctors in the District of Columbia, Mr. Reagan and his family chose to bring in seven physicians from the Mayo Clinic in Minnesota — surgeons, anesthesiologists and a pathologist.

Of course, the President wants to

## H.M.O. physicians apparently do not suit the President.

have doctors in whom he can have full confidence and trust, and the Mayo Clinic physicians were picked by an old family friend. The procedures performed on the President were done properly and he emerged in good health and good humor.

What is jarring, though, is that in planning his latest medical care, Mr. Reagan explicitly declined to use Medicare or to live within its limitations. Instead, he chose to be covered by an old Blue Cross-Blue Shield policy he has had from his days as Governor of California.

It may be argued that he is 75 years old and that he and his family were naturally concerned about the possible impact of surgery on him. But the family of every other 75-year-old citizen about to undergo surgery feels equally concerned. Why should those other senior citizens be forced to accept an extremely limited choice?

The reason, of course, is that Congress and the Administration want Medicare costs to be restrained as much as possible. And the greater the limitation of choice, the more the cost savings — a maxim the leading H.M.O.'s understood years ago.

The harsh truth is that any Medicare patient who asked for the kind of luxury care that has been arranged for the President would be regarded by hospital officials as mad. It would be explained to this hypothetical patient that Medicare now pays only for the most minimal care, short of a level that might draw a possible suit for malpractice. And certainly Medicare does not pay for bringing in special doctors from some place a thousand miles away.

Harry Schwartz was writer-in-residence at the College of Physicians and Surgeons, Columbia University.

## The State of the Union

WASHINGTON

On the 27th of January, 1987, President Reagan will deliver his seventh annual State of the Union address to the 100th Congress of the United States at the beginning of the 200th anniversary of the Federal Constitution.

Cappy Weinberger says we are living through a "really remarkable American renaissance," but some other folks here think the state of the Union is not so hot.

They point to the record budget and trade deficits, to the foreign policy and Wall Street scandals, to the nuclear arms race and to the gaps between the rich and the poor, between love and lust and between the prosperity of one region and the adversity of others.

In fact, they're wondering out loud if something isn't seriously wrong with "the system" and suggesting that we should change it and bring it up to date for the 21st century, now just around the next turn in the long journey.

Some of them would put Presidents in for six years instead of four; others would make it easier to recall dubs from the White House and keep better tabs on their health; still others want a national primary to nominate Presidents or constitutional amendments to balance the budget and stamp out abortion.

Here I proclaim myself a certified stick-in-the-mud. I can't remember a time when so many alluring reforms were floating down the Potomac, some of them worth considering, or a worse time to consider them seriously. For the capital is in a flighty and distracted mood, divided, leaderless and in no shape to edit the Founding Fathers.

Besides, all this present uproar between the White House and the Congress over sneaking guns to Iran and the Nicaraguan contras doesn't prove that "the system" has broken down but that it's still working, still exposing and correcting error, and still staggering along after two centuries.

It's not "the system" that's wrong but some of the people who have been evading and corrupting it. Colonel North, with or without higher authority — we still don't know which — regarded the Congress as a nuisance to be avoided and manipulated. "The system" didn't let us down, it saved us.

It didn't, of course, tell us how to handle the Russians, or compete with the Japanese, or preserve our cities, or elect the most qualified men and women to public office, or educate our children. In fact, it assumed human stupidity, ambition, greed and religious fanaticism, and merely sug-

gested a few rules to hold things together.

One of these rules was that no one person, not even the President let alone Colonel North, had the right to impose his will or ideology in secret on the elected representatives of the people.

The purpose of "the system" was to assure the authority of the President, subject to the checks and balances of the Congress and the courts without creating, as Mr. Lincoln put it, a government too strong for the liberties of the people or too weak to maintain itself against its enemies at home or abroad.

It was precisely this defiance of the principle of "accountability" that led to the recent mistakes at the Reykjavik summit and the Iran-contra scandals. And all these investigations are not designed merely to rake over the past but to restore the principle of "accountability" in the future.

In this sense, the State of the President is sad if not bad, but the State of the Union is good, or anyway, fairly good. Cappy has stars in his eyes as

## Again, 'the system' has saved us.

usual about a new American renaissance, free of nuclear weapons and defended by shields in outer space, but "the system" is keeping these dreams in balance.

There hasn't been a Reagan "counter-revolution" against the New Deal or the Great Society, but merely a useful correction. The public purposes of the Democratic glory days went too far along the lines of the welfare state and had to be amended, but they were not destroyed.

So the ideology of the supply-siders with their emphasis on private gain — "Ask not what you can do for your country but for yourself" — is being tugged back to the middle.

Everywhere in the world, the attempts to make human life conform to some sharp ideology have failed. Communism, socialism, free market capitalism are all in the process of adjustment to the realities.

It's an awkward, painful process, but as somebody has said, the answer to democracy's problems is not less democracy but more, not less accountability but more, not more confrontation but more cooperation.

## IN THE NATION | Tom Wicker

## A Novelist as Politician

Quick now, who was the last bona fide Presidential candidate — one with a chance to win — to have written a novel?

Did any President do so, before or after the White House?

Theodore Roosevelt and Woodrow Wilson were prolific writers, but not of fiction. So Gary Hart, whose novel "Strategies of Zeus" is just being published, thinks he may be the only candidate who can bill himself as a novelist — and of course he hopes to be the first President to make that claim, too.

But Mr. Hart, who has just given up one of Colorado's Senate seats to make another bid for the White House, is running scared; he's having researchers check out a report that Franklin Roosevelt published a mystery story in his pre-Presidential life.

Being as literate as Gary Hart — who's already the co-author of another novel with Senator William Cohen of Maine — won't be enough to win the New Hampshire primary. But Mr. Hart is off to a particularly good start in his second run for the Rose Garden. He's already been to Moscow for long talks with Mikhail Gorbachev, Eduard Shevardnadze and Anatoly Dobrynin — giving him a lead on other Democrats in the Presidential subject that matters most — foreign affairs expertise.

He won't try to predict the field for next year's primaries; anybody who's "mentioned" prominently, in his view, is likely at least to start the race. The darkest of horses should be able to raise the money to compete in Iowa and/or New Hampshire, hoping that lightning might strike — as it did for Gary Hart in 1984 — or for Vice Presidential consideration.

As one who's already been around the track, Mr. Hart thinks there may be no more than two survivors of those early tests. That's not because no one else would be able to do well in Iowa or New Hampshire; but because those contests will be followed on March 8 by "Super Tuesday," on which 13 states, 11 of them Southern or border, will choose their delegates.

Competing seriously on Super Tuesday, Mr. Hart estimates, will require at least \$3 million to \$5 million in a candidate's bank account, because of the need to buy television time, all at once, in all those states — particularly expensive markets like Florida, Texas and Massachusetts. There will be too little time after Iowa and New Hampshire to raise that kind of money, he believes, so Super Tuesday probably will be limited to those candidates who've col-

lected it before the early tests.

As he sees things now, only two likely Democratic candidates — himself and Governor Cuomo of New York — have the ability to raise enough funds in advance to carry them through Super Tuesday.

Only two white candidates, that is; Mr. Hart fully expects the Rev. Jesse Jackson to be in the race and a formidable competitor on Super Tuesday. Mr. Jackson doesn't really need big campaign money. As the only black in the race, he gets press and television exposure without having to buy it; and the heavy concentration of black Democrats in the Southern states makes Super Tuesday a natural target for him.

In fact, if two — or perhaps more — white candidates do survive into Super Tuesday, Mr. Hart can imagine headlines the next day proclaiming "Jackson the Big Winner." That is, a solid black vote in such states as Georgia and Alabama, together with a divided white vote, could yield Mr. Jackson a bloc of delegates big enough to give him strong influence

## Gary Hart, gearing up for '88.

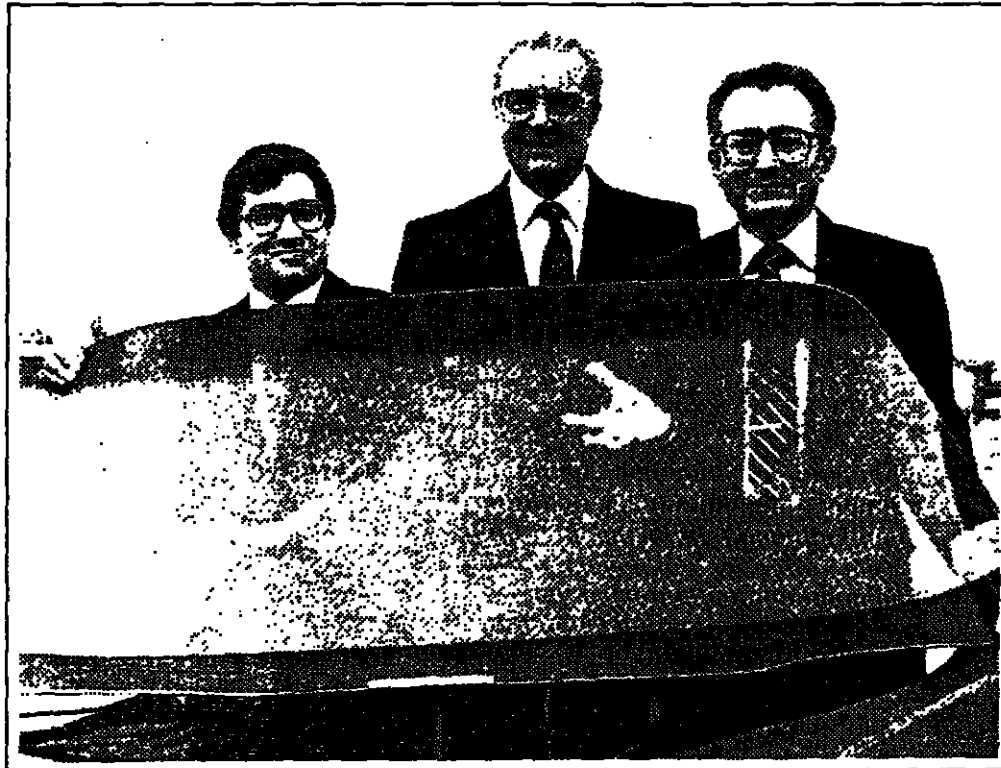
on the Democratic platform and ticket.

If that happens, it would be of profound importance to the Democrats' hopes. Winning the Presidency will require them to carry at least five, perhaps more, Southern states, probably including either Texas or Florida; and that can hardly be done without a solid black vote to add to a respectable slice of the white vote.

A defection by Jesse Jackson — if he felt that he and his delegates had been spurned — could therefore be disastrous in the South. On the other hand, if he were seen there and elsewhere as having too much influence on the party and its ticket, that could be equally a problem.

But that's next year. Freed of his Senate duties, his novel in the bookstores, his experience in the bank — if not yet the necessary money — Gary Hart is ready to go. As for the pitfalls ahead, he says he'll fall back on any politician's greatest asset: "I'll rely on my instincts."

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# Arts & Leisure

## Screen Stars Enliven the Paris Stage This Season

By THOMAS QUINN CURTIS

**T**heatrical impresarios, like fashionable ladies, are always complaining that they have nothing to put on. They should visit Paris and take a look. Here everything is being put on: Greek tragedy, German tragedy, Shakespeare, native comedy — both classic and modern, musical frolics and importations from Broadway and Off Broadway.

The present season began to the accompaniment of terrorist bombings that emptied the large emporiums of shoppers and the movie halls of their customers. Yet theatergoing has thrived. The Christmas holidays brought transport strikes and sudden day-time cutoffs of electricity. After dark, however, the lights are on again and only the attractions of feeble drawing power have succumbed.

As the 1986-87 season enters its second half, eminent film players are, for the moment, deserting the camera for the boards. Jean-Paul Belmondo is rehearsing in Jean-Paul Sartre's "Kean," derived from Alexandre Dumas, which is scheduled for a February premiere. Jeanne Moreau is packing the Bouffes du Nord in "The Servant Zerkine." Michel Serrault is impersonating Molière's "Miser" in a production that Roger Planchon is presenting at the Mogador, a former home of gigantic musical extravaganzas. The veteran comedienne Denise Grey, at 90, is making her farewell in "Harold and Maude." Sophie Desmarets is returning in "Cactus Flower" and the leading funnyman Jacques Villeret is starring in "It's Always Better in the Afternoon," a British vaudeville that Jean Poiret, author of "La Cage aux Folles," has translated from a Roy Cooney original.

An American play — Ernest Thompson's "On Golden Pond" — translated into French by Pol Quentin as "La Maison du Lac" — is this season's great commercial success. Neither its origin nor its content account for its vast popularity. What has caused the stampede for tickets is the presence in it of two national idols: Edwige Fenech and Jean Marais. The glamorous pair have been cast as an elderly New England couple in their Maine vacation retreat in the roles Katharine Hepburn and Henry Fonda portrayed in the movie version. They advise on the future



Jeanne Moreau, above, plays a worldly chambermaid in "The Servant Zerkine" and Michel Serrault, far right, in the title role of Molière's "Miser"—Ms. Moreau's play is an hourlong monologue in which she "holds her audience hypnotized."

of their daughter, whose marriage has gone awry, and on that of their little grandson.

Ms. Fenech, an enduring beauty of overwhelming charm and grace, sails gallantly over the waves of sentimentality to suggest not a Yankee grandma but a regal hostess of the Parisian haut monde in Balmain creations. Mr. Marais, though over the borderline of 70, in the role of grumpy gramps has an abiding athletic physique and displays such youthful vigor that he seems to be in training for the next Olympics. The script, a tale of autumnal togetherness, takes on the gaiety of a chic Parisian soiree.

Fans of the pair are overjoyed to have their darlings back, untarnished by the years. The nostalgia of the event has nothing to do with Down East family problems, but brings to mind the star players' ensemble debut in Jean Cocteau's empress-and-rebel-poet romance, "L'Aigle à Deux Têtes," the title of which was mistranslated into English as "The Eagle Has Two Heads" by an adaptor impervious to French accents. That initial Feuillière-Maraux union took place in 1946.

Frederic Dard's "Les Brumes de Manchester" ("Fogs of Manchester") is an old-fashioned detective melodrama, complete with spooky Victorian mansion haunted by unsolved murders and populated with a collection of suspicious types — from crotchety army officer to roaming idiot — borrowed from the fiction of Agatha Christie and others. The director, Robert Hossein, has sought to enliven this play with Hitchcock suspense, but its dramaticy creaks. Again a duo of stars to the rescue — here Georges Marchal and Françoise Brion — who aid the wobbly thriller in its uncertain stalking.

The harvest of the Paris theater world's annual Festival of Autumn disclosed two critical and popular successes. First, in late September, Robert Wilson's mount-

ing of "Alceste" (in Dudley Fitts's English translation) with Wilsonian theatrical eccentricities applied harmoniously to the Euripides tragedy, which was performed before settings of pictorial beauty.

The second, arriving in mid-December, has been retained by public demand and is still running: a mini-drama distilled from a tale by the Austrian novelist Hermann Broch, "The Servant Zerkine," in which Jeanne Moreau as a worldly domestic of a baronial castle relates her experiences with her social superiors to an astonished house guest. Though her listener is present he merely gives ear to the descriptions of her adventures, murmuring a question or two. The piece, arranged by Andrée Picard, is in fact an hourlong monologue delivered superbly by Ms. Moreau. She holds her audience hypnotized from her entrance into the visitor's chamber to her departure, without visible strain. Her delivery, subtly varied, never grows monotonous as she recollects her past, her acting art supplying it with gripping dramatic power, a rich, rounded and remarkably orchestrated performance.

"Les Salons" by Bernard Minoret and Claude Arnaud at Jean-Louis Barrault's Theatre du Rond-Point is perhaps the best of the new French plays. Certainly it is in the best French, echoing the tone of the Age of Reason. Though of literary complexion, this production plays smoothly and is beautifully performed.

It concerns the rivalry of two salon hostesses of the 18th century and its dialogue evokes the moods and minds of cultured Paris 200 years ago. Madeleine Renaud enacts with exquisite nuances and high style Mme. du Deffand,

who in her youth was a court flirt. In late life, having gone blind, she is queen of a drawing-room where ideas are discussed and trends set. Nicole Courcel as a butterfly of pre-Revolutionary society, Jacques François as Horace Walpole and the others of the cast assist in vivifying the realization of the text to result in an evening of civilized entertainment.

Jean-Claude Brisville, whose comedy about publishing-house intrigues, "The Rocking Chair," received acclaim a few seasons ago, has had little luck with his latest play, "The Blue Villa," an attempt at Pirandello imitation. In contrast, his one-act playlet, "The Interview of M. Descartes with the Young M. Pascal," another absorbing literary drama in which viewpoints are debated, displays his unique skill.

The Comédie Française has revived Henri Becque's misogynic comedy of La Belle Époque, "La Parisienne," a witty cartoon of the double-dealings of a wealthy wife. Becque followed it with an afterpiece that has been tacked on as an epilogue. The sequel reintroduces the adulterous wife, after her husband's death, as a merry widow.

The Française has also set "A Midsummer Night's Dream" to the tangle of tango rhythms as an audacious approach to Shakespeare. The experiment has fetching invention at the start and its surrealistic décor with psychedelic lighting has attractive flair. The classically trained company, however, is not sufficiently tutored in the ways of musical comedy, and some of its members are in need of singing lessons.

## Shaw's Plays Go On Talking To the Audiences of Today

By MICHAEL HOLROYD

**G**eorge Bernard Shaw's contemporaries would have been astonished to know that his plays were still being performed around the world toward the end of the 20th century ("You Never Can Tell" is now winding up a revival in New York). A playwright was the last thing they considered him to be. If theater reviewers agreed on nothing else, they were certain that he could not write for the stage. "The trouble of course," explained Ibsen's translator, William Archer, "is that he is not at all a good dramatist." And the venerable critic of The Times of London, A. B. Walkley, agreed: "An admirable speaker — and a detestable dramatist," he decided. Not that G.B.S. wasn't capable, they all agreed, of some excellent fooling in a formless way — if only he had taken to comic opera there was no telling what he might have achieved.

Though politicians enjoyed his plays, the literary and dramatic establishment preferred to honor him for his politics. He should have gone into politics, many writers felt, or even the church, where he would have made "a better bishop than a playwright." Shaw himself summed up the general feeling by putting the following statement into the mouth of a famous actor-manager: "In any other walk of life than that of dramatic author I should expect him [Shaw] to achieve a high measure of success."

This critical downgrading of Shaw's plays persisted throughout his life. A number of writers, such as the historian A. J. P. Taylor, who described him as "the greatest arguer there has ever been," were responsible for attracting compliments to his prefaces at the expense of the plays. Others, like George Orwell, pointed to "one or two early novels" as being his best work; while Desmond Shaw-Taylor mourned, in the birth of the theatrical man, the death of a remarkable music critic.

Even in Shaw's obituaries critics were still observing how he had been able to create entertaining prose extravaganzas based, not on human emotions, but on old piles of bluebooks, tracts, social statistics. Under his sparkling paradoxical treatment government reports were starred in pantomimes and official documents made to parade the circus ring. Sometimes his compositions — amalgams of farce and sermon — were "almost as good as plays." But they were not in the mainstream of drama and they belonged to the past.

Received critical opinion had however set itself something of a problem. For how was it possible that these writings, which were so categorically not plays, continued to hold audiences in the theater? Shaw himself had been of little enough help with explanations of this infuriating success. When Richard Mansfield, who created a triumph in America with "The Devil's Disciple," criticized "Candida" for being (like the author himself) "talk, talk, talk," Shaw accepted this as the purest compliment, adding that the best ballet tended to be dance, dance, dance, and the finest opera he had heard merely a series of musical notes.

During his theatrical career Shaw had enjoyed three peaks. The first occurred when King Edward VII broke his chair in the Court Theater laughing at "John Bull's Other Island" and sent Shaw's reputation spinning high into the air. It had been difficult for him to recover his popularity after that, though "Major Barbara," "Getting Married" and "Misalliance" all appeared long-winded attempts to do so. But with "Pygmalion" just before World War I, and "Saint Joan" in 1925, he scored two popular and critical successes that were credited to two remarkable actresses, Mrs. Patrick Campbell and Sybil Thorne, who were congratulated on overcoming various Shawian obstacles in achieving these successes.

Shaw's last long-running play was "The Apple Cart," first performed at the end of the 1920's. He was to live 20 more years, and in Shavian style he seemed to enjoy, while still buoyantly alive in his 80's and 90's, the trough in public esteem that often follows a writer's death. The revival of his reputation and the revision of critical consensus began after the publication of Eric Bentley's original little book on G. B. S. in 1949 and Shaw's death the following year.

For years G. B. S. had been conducting his own unwearied publicity campaign. Why, he asked in an early preface, should he get another man to praise him when he could so easily praise himself? To the earnest critical mind the answer was that self-praise was no recommendation. Eric Bentley's book, on the other hand, revealed that under all the Shavian bravado, the orchestration for trumpet and big drum, Shaw's thought was surprisingly subtle and melodious. Critics began listening with a new attention, discovering, now that he was dead, how extraordinarily modern and ambiguous some of his theatrical writings sounded.

Shaw's new reputation in Britain as a 20th-century dramatist — it had never really receded in America — began on March 15, 1965, with Ronald Eyre's production of "Widowers' Houses" at the Theater Royal, Stratford East. This examination of slum landlordism followed what was known as "the Rachman case," a horrifying court exposé of a criminally administered sub-standard property empire. In this context, Shaw's play suddenly revealed itself as an angry, up-to-date comedy by a practical socialist passionately concerned with current issues. The grinning countenance of G. B. S., allegedly incapable of conveying emotion, was replaced by an alarmingly human face — what Irving Wardle was to call "the forgotten darker side of Shaw [which] restored our contact with him as a modern writer."

Shaw's modernity has two separate aspects. The first arises from his political instinct. "Widowers' Houses" had been his first play, and in the 20 years following its production at Stratford East, a new generation of audiences in Britain and America were to become familiar with nearly all his major works and see reflected in them many of its own hopes and anxieties. "Major Barbara," for example, has been reinterpreted as a commentary on the disarmament negotiations between America and Russia; "The Apple Cart" reappeared as an ironic and uncanny reference to Mrs. Thatcher's relationship with President Reagan; "On the Rocks" contained many observations pertinent to the Falklands War; "The Doctor's Dilemma" is a telling comment on the new heart-transplant industry; and what else is the terrible weapon that Shogover broods over in "Heartbreak House," and the ancients succeed in inventing in "Back to Methuselah," but a variation of our own Star Wars?

But it was not simply by means of their ingenious topicality that Shaw's plays were being updated. The currency of his thought was also discovered to be ahead of its time — and sometimes of ours too. Who has written more radically about the rights of children or fought with such witty persistence for the political equality of women than the author of "The Intelligent Woman's Guide to Socialism?"

Jane Lapointe, who recently starred in the Royal Shakespeare Company's production of "Misalliance," told a reporter: "I'm staggered that the play isn't performed more often — it's very relevant and modern, and it's huge fun... Lina is Shaw's idea of what a modern liberated young woman should be — she wears trousers, earns her own living and is not dependent on anyone. I have a lot of similarities with her." This is what Mrs. Pankhurst felt at the beginning of the century about Anne Whitefield in "Man and Superman," which, she said, had strengthened her in the campaign for women's suffrage.

## Collaborations

BY BERT ROSENFIELD/Puzzles Edited by Eugene T. Maleska

### ACROSS

1 Four New Testament books

8 Mascagni or Leoncavallo

14 U.S. mil. award

17 Bomb shelter

21 Cliff Edwards played it

22 Give power

23 Southwestern lizard

24 Cowboys or Indians

25 Work by Nathaniel Rattigan

27 Loose, boxy overcoat

28 Law N of the border

29 "To die: to sleep, / — Hamlet

30 Theodor Geisel a.k.a. Dr. —

32 Colorful Indonesian fabric

34 Angela Lansbury role

37 One of the Painter Sisters

39 Snit's cousin

40 Display man

43 Denizens of tropical forests

45 Work by Eugene Zola

49 Ten cees make one

50 Kind of jib or salami

51 Floor covering, in the U.K.

52 Pk. or Sh. Goggling

53 Colored notes

59 One of the Pleiades

61 Ify Const. amendment

63 Hindu honorifics

64 — bower (spare anchor)

66 Novel by Dashiell Wouk

70 Saile d'armes implement

71 Carroll creature

72 Black nightshades

73 Felon of a sort

75 — Your Face Before Me, 1937 song

76 Tossup, in Torino

77 — phenomena (ESP, telepathy, etc.)

78 Vantage point

82 Gertrude and Patty

84 Work by Sinclair Yerby

90 "What the Butler Saw" playwright

91 City WSW of Cleveland

93 Eur. country

### DOWN

1 Lyricist Kahn

2 Taro liquor, for short

3 Take refection

4 Work by Pierre Steinbeck

5 First name in architecture

6 Cousins of guanacos

94 Plant also called avens

96 Nose: Comb. form

97 Charity workers

101 Creature seen on a slide

103 Football Hall of Famer Graham

104 Ronald Reagan screen role

107 Work by F. Scott Marquand

109 Sinn. (Irish society)

110 "Abdul, the Bulbul —"

112 Have a marker out

113 Plug away

114 Cards for a fortuneteller

116 Starter's phrase

118 Kind of roll

120 Individu celeste

122 Van Dine's crime-solver Vance

125 Hiver's antithesis

126 Work by Erica Faulkner

130 Thatch-covered Crusader's foe

133 Hugh Johnson's org.

134 Caesar, at one time

136 Proverbial septet

137 Napoli or Milano

138 — Mountains of the Carpathians

141 He fought against Baal worship

143 Bassu in "Der Rosenkavalier"

145 Sad letters for latecomers

147 Work by Edith Sherwood

152 Kind of tone

153 They or them, in Thiers

154 More elusive

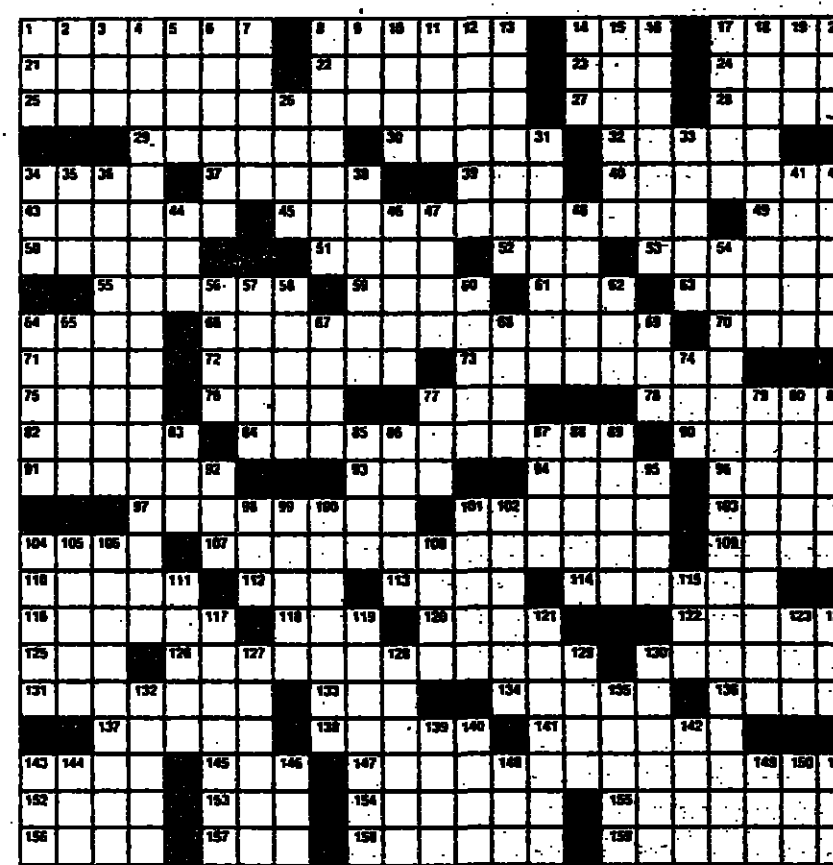
155 Employes

156 Borge or Shering

157 Shout pad

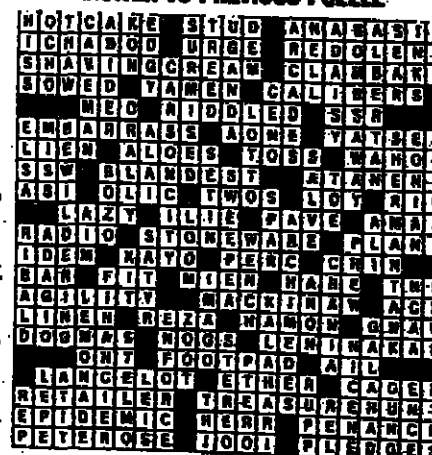
158 Wood nymphs

159 Arctic flier



- 7 Instigate  
8 Of peas, carrots, etc.  
9 Spanish queen: 1906-31  
10 Mortar beaters  
11 Ending for collect  
12 Olivier-Caine thriller  
13 Classic tile  
14 Name  
15 "— Mater"  
16 Anopheline affliction  
17 Roman sitting rooms  
18 William Makepeace Irving character  
19 Butter on a meadow  
20 Rowdy moppet  
21 Actress Moran  
22 Tizzies  
33 Snood filler  
34 Flavor-enhancing letters  
35 Tavern quaff  
36 Monte Cassino, e.g.  
38 A certain kingdom  
41 Hair-raising  
42 Robinson's keystone partner  
44 Boar's Head Tavern habitué  
46 Author Nin  
47 Invest  
48 Comic precursor
- 54 Work by Henry Shakespeare  
56 Air: Comb. form  
57 Ibis-headed god  
58 Sawfish beak  
59 Garner  
62 Mickey's Broadway co-star  
64 Apply palm grease  
65 Atelier adjunct  
67 Sambar, e.g.  
68 — and Thummim  
69 Lyricist Harburg, to pals  
74 Late TV comic  
77 G.I.'s in slalags  
78 Home, to Yanks abroad  
80 "At Vespers" composer  
81 Tear-jerker, of a sort  
83 — vous plait  
85 — avis  
86 Expels  
87 Gershwin's "Nuttin'"  
88 Small anvil  
89 Half a G.I. wolf call  
92 Qty.  
93 Opera composer-Donizetti's teacher  
96 "So that's your game!"  
99 Staircase post  
100 Posh or polished
- 101 Ecstasy's antithesis  
102 Rolling-pin welder in comics  
104 Combat pledges  
105 — man with seven wives  
106 Sir James Biggers character  
108 Ben Gurion departer  
111 Block a punch, e.g.  
115 Unbar, to Keats  
117 Nagana transmitters  
119 Performed pirouettes  
121 Readers esteemed  
123 Where cows browse
- 124 "— bodkins!"  
127 Plodding the treadmill  
128 "You are old, — William!"  
129 Embellish  
130 Answer  
132 Usher's beat  
135 Certain prints: Abby  
139 Count (on)  
140 "Una voce poco fa" is one  
142 Striking hairdo  
143 Like a splacknuck  
144 Casey's org.  
146 Dull and ho-vine  
148 A ref. book  
149 Bilbao bruin  
150 Do a greens job  
151 Sign up for three yrs.

### ANSWER TO PREVIOUS PUZZLE



50 من الأصل







A further look behind boardroom doors

## A case of mutual enrichment

By DAVID KRIVINE  
Jerusalem Post Reporter

Company boards are necessary. Yoram Ziv, general manager of Israel Chemicals, is convinced. An experienced industrialist, Ziv also thinks that boards must be independent and composed of men with business or professional knowledge and experience.

Boards are necessary, he believes, because they have to determine policy and supervise its execution. They need to be independent because they represent the owners of the company and have to make the manager toe the line. They must be experienced and knowledgeable because their job is also to help the manager, who is so involved with the daily operations of the company that he sometimes cannot see the forest for the trees.

"The relation between board and manager is a mutual enrichment process," says Ziv. "A good board is one that the manager feels can help him" — not only by analysing his proposals and feeding him ideas, but also by seeing that he understands clearly what the owners expect him to do. "If a board does not perform these duties effectively it is a nuisance for the manager and probably becomes a rubber stamp."

In government companies, of which Israel Chemicals is one, the responsible minister chooses the board members jointly with the finance minister. Directors elect their own chairman subject to ministerial approval. A director is appointed for not more than three years at a time, to make sure that a new minister can change the membership if he wishes.

The appointment by some ministers of "active chairmen," as was done for example by Israel Aircraft Industries, is a mistake, according to Ziv. It creates confusion between two different types of position. The active chairman is part board member and part general manager and his functions overlap with those of the general manager proper, confusing the chain of command.

The general manager must be employed only by the firm, while the

directors, including the chairman, cannot depend on the firm for income; they must earn their livings elsewhere. In government companies they get no pay, only expenses. It is not forbidden for boards of non-government companies to award themselves an honorarium, but it has to be a modest sum for a part-time activity, but not too part-time. There is work to be done, documents to be studied, information to be assimilated. Appointing senior government officials to a multitude of boards is a bad practice, in Ziv's opinion. They tend to take their work too lightly and their participation becomes superficial.

Board members attend, at most, one meeting a month and discuss only the most weighty problems. Do they have to know details about the salaries of senior employees?

Not necessarily, says Ziv. "The general manager can be relied on to fix the wage of his subordinates, because he has an interest in maximizing the company's profitability. But he cannot be trusted to fix his own salary — this job has to be done by the board. Usually it is left to the chairman, or to a small committee of the board" (as happened in the case of BLL).

How large should the salary be? Ziv thinks it should be linked to the recipient's performance. One way to do that is to offer the chance of gaining a bonus, in the form of a stock option. The option to buy a portion of the company's shares for a fixed price is profitable if the value of the shares goes up; it is not worth anything if they stand still or drop.

"Should the wage plus the bonus amount to a large sum, that is good both for the manager and the company; provided that if he fails, he gets nothing. That is what happens in the U.S. The manager of an enterprise with a turnover of several billion dollars may earn a seven-figure salary. But if the company loses money, he is out on his neck."

Japhet failed, bringing BLL to the verge of bankruptcy — yet was allowed to walk away with a fortune. According to Ziv, a director who



Yoram Ziv

fails in the U.S. can be sued for damages by discontented shareholders. "There is such a thing as directors' liability," he points out. "People are sometimes scared of becoming board members. The trick of forming advisory committees to the board is being increasingly adopted. You can sue a man for making a wrong decision, but you can hardly sue him for giving bad advice."

Why does the Bank of Israel fail to take an interest in what commercial bank managers earn? Amnon Goldschmidt, Deputy Examiner of Banks, reminds us that the financial institutions in question do not belong to the state.

"We at the central bank do not know how much First International, for example, pays its managers, nor is it our business to know. The point is that First International is profitable; it does not come to the government for aid or subsidies. How it handles its cash is its own affair. If its income differentials are excessive, there may be trouble with its workers' committee, but that is an in-house problem it has to settle by itself."

"BLL on the other hand went broke in October 1983. It had to be rescued by the authorities, who

guaranteed a price for the shares. At redemption time next year the shareholders will sell this stock to the government for this guaranteed figure, making the government the major shareholder in BLL. Under the circumstances the Bank of Israel is much concerned with how BLL handles its cash, because it is in a large measure the government's cash."

New regulations were issued by the Bank of Israel last September, before the Japhet pay-and-pension crisis, stipulating that the board chairman of a bank may under no circumstances simultaneously be its general manager or carry out any executive task in that bank.

"A director," the regulations continue, "must have knowledge, experience or expertise in one or other of the following subjects: banking, finance, economic or business activity, law, management or accountancy." He shall not be co-opted unless he can devote enough time to his primary duties.

Even age limits are laid down. A director may not be appointed if he is over 73 (nor board chairman if he is over 70), and he must retire at 75 (the board chairman at 73). These age maxima are waived for any director owning more than 10 per cent of the shares, provided there is not more than one person over 75 on the board.

The board must meet at least ten times a year, and any member attending less than six sessions will be deemed to have resigned. It is to receive monthly, quarterly and annual reports on the bank's accounts, and all communications emanating from the bank's controller, auditors and the Examiner of Banks.

Pinhas Arkus, Deputy Registrar of Companies in the Justice Ministry, favours a further measure: maximizing the information available to the public. "If the salaries of top management were published as they have to be in some other countries, the Japhet crisis would not have broken out," he states certainly.

This is the second of three parts.

## Heth tipped for top Leumi post

By PINHAS LANDAU  
Post Finance Reporter

Dr. Meir Heth, chairman of the Tel Aviv Stock Exchange from 1978 to 1985, and Examiner of Banks at the Bank of Israel in the early 1970s, is now seen as the leading candidate for the post of chairman of Bank Leumi. He is being strongly supported by Bank of Israel Governor Michael Bruno and current Examiner of Banks Galia Maor, as well as by senior executives within Leumi and the outgoing chairman, Eli Hurwitz.

Heth is currently chairman of Teva Pharmaceuticals Industries, the company of which Hurwitz is managing-director. Both men belong to the group of families that founded the Teva group over 50 years ago. Heth's position, however, which he assumed when he resigned from the Tase at the beginning of 1986, is non-executive and does not occupy all his time. In recent months he has been acting as special adviser to Bruno on capital-market reform.

In his position as Tase chairman, Heth came in for criticism from the Bejski Commission that investigated the bank share collapse, for not having done enough to prevent the regulation and the ensuing collapse. The reprimand, however, was light enough — at least by comparison with the commission's scathing criticism

of other persons involved — for supporters of Heth's candidacy to believe that it will not be a crucial factor.

Other names still being mentioned for the chairmanship are those of Professor Haim Ben-Shahar, who was Labour Party candidate for the Finance Ministry in 1981, former Bank of Israel Governor Moshe Sanbar, and outright political figures such as deputy finance minister Adi Amorai and former MK Zalman Shoval. Leading politicians from both parties are reportedly increasingly involved in the negotiations over the chairmanship, but the Bank of Israel is hopeful that the committee of Jewish Colonial Trust directors that is to decide on the issue will not be swayed by political pressures.

The five-man appointment committee began its formal discussions yesterday. It is chaired by World Zionist Organization chairman Aryeh Dulzin, and includes that organization's treasurer, Akiva Levinsky, Zvi Klementinovsky, Dov Barzilai and Dov Milman. It is believed that the choice of chairman will be made within a day or two, and the remaining board members — probably about 10 in number — will be announced at the same time.

A second JCT committee, con-

cerned with reorganizing the company that was for decades no more than a rubber stamp for Bank Leumi's board of directors and is now seen as having failed in its task of overseeing the bank, also began working yesterday. Chaired by Prof. Yitzhak Klinghoffer, its members include Levinsky, Contractors Centre chairman David Stern, Aharon Becker and Ron Ram.

At Bank Leumi itself, the committee demanded by Governor Bruno to investigate the terms of salary, severance pay and pension granted former chairman Ernest Japhet also got under way yesterday. Chaired by Hurwitz, the committee includes two members of the Leumi board who resigned last week — Professor Pinhas Susman and Yehzekel Har-melech, as well as Leumi's senior legal adviser, Ze'ev Sher, its internal controller Ya'akov Hirsh, and lawyer and former Justice Minister Haim Zadok, an independent outsider drafted by Hurwitz to enhance the committee's credibility.

It is now clear that this committee will not meet its original deadline of presenting its report to Bruno by January 20. Conceding this point, a Leumi spokesman nevertheless noted yesterday that the committee, after its belated start, was now "working hard".

## 'An inflexible economy is dangerous'

## Change is the name of the game

• Uzia Galil, chairman and chief executive of Elron Electronic Industries Ltd., is almost unique in Israel. He has played the role of entrepreneur, industrialist and now, as head of the investment company, capitalist. In an interview in Haifa, Galil tells *The Jerusalem Post's* Simon Louissou why he thinks the latest economic plan will lead to traumatic "discontinuity" for the economy.

In a world where the name of the game is change, Israel is creating systems to resist change, according to Galil. A small country like Israel must adapt, so that change becomes

an ally, not an enemy. Galil believes that unless the economy is made more flexible, future economic and political crises are inevitable.

"Everything has to change," he asserts.

The question is: Does a major change ever happen in an evolutionary way? The answer is no, if you look at history. There must be major socio-economic change."

The root of Israel's problem is that in virtually every sphere of society, whether employment, corporate, tax, or the bureaucracy, systems have been set up to resist change, says Galil.

The government is involved in everyone's business and the failure of the economic plan to redress this problem will have major repercussions in the future.

"In a country where it takes between two and three weeks to get a home phone repaired, what reason is there not to make Bezek a public company?" asks Galil.

The restrictions in the capital market on private business and the failure of the government to honour its pledges to privatize many of the businesses it still controls are major disappointments in the new plans.

Galil, 61, was born in Bucharest and came to Israel in 1941. After working in the Technion, and following a stint with Motorola Inc. in the U.S., he founded Elron in 1962 as a back-room lab. He gained experience as an industrialist when he assumed the reins of Elbit computers, now Elron's major asset, to lead them out of their troubles in the late 1970s. Now in its 25th year, Elron has been transformed into an investment/holding company whose companies have aggregate sales of more than \$330 million.

Galil does not wish to give the impression that he opposes the new economic package. It is giving the right signals, but no more than that, and he believes they are rather weak signals.

While the 10 per cent devaluation and the reduction in employment costs will give some immediate relief to industry, Galil has serious doubts about whether the effects will be lasting.

In discussions with politicians, he argued unsuccessfully for a freeze on net salaries and domestic prices so that the benefits of the reduced taxes would redound to the economy and help exporters.

A freeze would create real stability, not artificial stability. After a year things would start again at a lower level," he says.

He acknowledges that such a plan would be far more difficult to sell politically, especially to the Histadrut. Though it would be more complicated, it would also be more sophisticated. At present there are so many links in the economy that the effects of the devaluation are likely to be lost within four months. Then we'll be back to square one.

Galil favours tax reform, particularly regarding personal income, so that people will be more motivated. But he believes a flat rate of tax would have been better for both tax collection and motivating people.

Israel is trying to attract people and keep them here, but Zionism is no longer a sufficient incentive, he

says. With the trend in the rest of the world towards tax reform and financial motivation, Israel must act in like terms.

"The key element in any decision is what comes first, short- or long-range considerations. I am not convinced that the political leadership across the board realizes how dangerous the present economic situation is."

Galil says people in Israel like to delude themselves into believing that inflation has been cured and that therefore all the country's economic problems have been solved. But, by how much has Israel increased its GNP, he asks, and has the basic fact of Israel's economic dependence on the U.S. been altered?



Uzia Galil (Shlomo Shuhaim)

The rate of growth of the country's exports versus imports is insufficient and something has to be done to lessen dependence. Galil says the problem comes down to a simple calculation. Because there is no prospect of immigration expanding the domestic market, the same number of people have to produce more.

"We need the best people we can get, we need capital, we need to operate worldwide, to invest worldwide. In short, we need to do all the basic things."

If industry is not given freedom to operate, to raise capital as and when it needs, then it cannot grow.

The reforms intended for the capital market will only put added restrictions on industry, says Galil. He can't understand why people wishing to borrow on foreign markets should have interest surcharges imposed on them. It is also absurd, he says, that the Bank of Israel should be able to intervene to stop a company such as Tadiran from borrowing off-shore because the bank considers the interest rate too high. Such decisions should be made by the company.

Galil thinks the ratio of capital to borrowing is absurdly high in this country, but that the only way to raise capital is to ensure that investors are confident they will get a return on their investment. An economic environment in which profits can be made has to be created.

His criticism of the budget cuts relate to the failure of government to privatize its enterprises. Cuts in spending, whether by government or industry, usually result in a drop in productivity and the only meaningful way to improve the government's performance is to bring in new management, in other words, private companies.

## CURRENCY MARKETS

## Descent of the dollar

The U.S. dollar ended the week last Friday sharply lower as the U.S. government welcomed the selling of dollars. Last Tuesday the U.S. currency posted one of its largest single day drops as it fell to its lowest level against the Deutschmark since October 1980 and fell to a new post-war low against the yen.

An article in *The New York Times* quoting an unnamed official as saying that the U.S. wants a bigger drop for the dollar encouraged selling. The Bank of Japan and the Bundesbank halted their intervention efforts on behalf of the dollar.

Selling of dollars started early last week, fuelled by the widespread belief that a massive U.S. trade deficit makes a further depreciation of the currency inevitable. Belief that the 3 per cent revaluation of the mark was insufficient and that a further adjust-

ment would be needed later in the year remained a major factor weighing on the dollar in addition to the poor shape of the U.S. economy.

Sterling rose strongly last week, catching up with recent gains of the other European currencies. It rose on the back of a weak dollar underpinned by higher oil prices and hopes that Opec's recent accord would help stabilize the price of crude oil around \$18-\$19.

Dollar sentiment is now overwhelmingly bearish and it is difficult to see the dollar recovering in the short term. A Japanese press report quoted a Bank of Japan official saying that the dollar/yen's rate move toward 140 could not be avoided. The dollar is likely to stabilize in the short term and then head lower.

The column appears courtesy of Dr. Boaz Bank Advisory Service.

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\*Interest is compounded twice-yearly giving the Compounded Annual Rate (C.A.R.). All interest rates quoted are variable and are correct at time of going to press. Halifax Building Society, Ref IKW, Trinity Road, Halifax HX1 2RG, UK.

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# MARKET PLACE

PINHAS LANDAU

## Banking on bank shares

As promised, Marketplace will now present — for the umpteenth time, but for the first since the recent devaluation — the case for investing in bank shares.

THE STORY SO FAR: The shares of the main commercial banks, after spending many years of profligate existence ignoring the harsh realities of their parents' true economic situation, went through a traumatic experience in October 1983. Their parents abandoned them and they became wards of the state. This traumatic experience left them scarred for life, and the very term "bank shares" is in fact a misnomer, since they are government-guaranteed, dollar-linked bonds, redeemable in October 1988 according to their dollar value of October 6, 1983 plus a smidgen of interest. Researchers believe that most bank shares no longer have any memory of their previous incarnation as shares, and identify themselves wholeheartedly as bonds. But to the public at large, their former persona have by no means been erased.

Thus for a long time after October 1983, and indeed in large measure even today, the "arrangement" shares as they came to be known, were treated with contempt and suspicion by most individual investors and by many institutional ones. However, with the decline of dollar interest rates in the international markets, and with the fall in inflation in the Israeli economy, the persistent high yields of these securities began to attract increasing attention. As the period to redemption grew shorter, and interest rates fell to around 20 per cent per annum in unlinked bank deposits, the 15-17 per cent dollar-linked yields of the "bank shares" seemed to offer the best of both worlds, namely a high fixed return if inflation fell, and dollar-linkage if devaluation returned. That was the situation in late 1986. NOW READ ON...

Episode 243: In early 1987 rumours of an impending devaluation began to gather force and money poured into bank shares from investors of all sorts. Yields plunged to below 12 per cent, the lowest level in the history of the market, when the devaluation took place; the ensuing correction not only carried the yield level back above 15 per cent, but continued offers entering the market day after day dragged it to 17 and even 18 per cent. The great question is — why?

On the one hand, it has been suggested that the "arrangement" group is behaving in line with all dollar-linked securities. These have fallen heavily in the wake of policy pronouncements that the shekel exchange rate will remain fixed for a long time to come. In addition, external events in the form of a run on the dollar all over the world, which has even rubbed out part of the devaluation against the shekel, have persuaded many people that anything dollar-linked is unhealthy to hold on to.

But on the other hand, the vast gap between the yield on regular dollar bonds, which is around 10-11 per cent, and that on "arrangement" shares, at 17-18 per cent per annum, puts the latter in a different class. Their inherent strength is being increasingly revealed as their yield rises. This strength is simply that they compete with unlinked shekels, which offer around 20-22 per cent for periods of between two months and one year, and with other linked vehicles, whether foreign currency or index linked, which offer much lower yields.

Despite the apparently clear-cut attractions of the "arrangement" shares, a number of investor groups cannot bring themselves to invest in them.

These groups are: Those who believe the U.S. currency is in free-fall, because the administration is paralyzed and/or because of fundamental economic problems in the U.S. economy; those who believe the Israeli government will not be able to meet its obligations of \$1.3b. in October 1987 and \$5.3b. in October 1988; and those who believe the government will not devalue for some considerable time, but that inflation will not fall below 20 per cent this year or next.

The last group can be ignored, since their economic logic is totally flawed.

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## 7 per cent price rise for cars up to 1600 cc

By JONATHAN KARP  
For The Jerusalem Post

An interministerial committee on pricing yesterday recommended raising the prices of cars with engines up to 1600 cc by 7 per cent from February 1, with an additional increase in April.

The proposal, by a committee of representatives from the Transport, Finance and Industry and Trade Ministries, must be endorsed by the transport and finance ministers. A decree establishing the increased prices will probably be signed by Sunday, according to Uri Rond, the Transport Ministry's director of economics and planning.

Until February 1, car dealers must sell their small cars already in stock or waiting to be released by customs at the prices published on January 2. Dealers selling cars in stock above approved prices will be punished, according to the Treasury and complaints on this matter should be sent to the Transport Ministry.

Arye Carasso, head of an association of Israel's 18 car importers, criticized the government plan, saying that a 7 per cent increase was not enough, considering last week's 10 per cent devaluation against the foreign currency basket.

Rond said the recommendation would, in fact, lower the importers' profit margins for small cars, but he said other considerations had to be taken into account.

For example, he pointed out that some importers' costs, such as labour, were measured in shekels, and were unaffected by the devaluation. Thus, the importers were not automatically entitled to a price increase equal to the devaluation.

The importers have also pressed for greater price increases, arguing that foreign currencies have appreciated against the shekel in the last month. The government based the 1987 car prices on the December 15, 1986, exchange rates, and since then the pound sterling had appreciated more than 15 per cent, the Deutschmark more than 18 per cent, the French franc more than about 14 per cent and the Japanese Yen 16 per cent.

Rond said that because of these currency changes, the government would raise car prices further on April 1, but the extent of the increase was still under consideration.

## Ashkelon plants may strike for aid

By MICHAEL YUDELMAN  
Jerusalem Post Reporter

Ashkelon Mayor Eli Dayan is threatening to paralyze all industry in Ashkelon, unless within one month, the area is declared a grade-A development area, which is eligible for industrial benefits from the government.

Dayan said that industry and Trade Minister Ariel Sharon, who visited Ashkelon some three months ago at the head of the ministerial committee for classifying industrial areas promised to reply within three weeks to the demand that the area receive an A grade. No reply has been received since then, Dayan said.

An industrial area of some 2,000 dunams has recently been prepared in Ashkelon at a cost of \$15 million. The area is slated to serve the region's 250,000 residents and provide employment for thousands. But so far, only two plants, Motti Sweets and Keren Elektronika, have been built, leaving the remaining 1,800 dunams vacant.

In a telegram to Sharon, Dayan noted that investors have been found who would be willing to immediately finance the construction of four plants if they received the benefits and support that Grade A plants get.

## Tel Aviv Stock Exchange

### MARKET STATISTICS

<b>Indices:</b>		
General Share Index	108.09+0.07%	
Non-Bank Index	115.56+0.77%	
Arrangement	104.60+0.43%	
Insurance	104.63+1.47%	
Commerce, Services	105.59+0.63%	
Real Estate	115.48+1.08%	
Industrials	115.50+0.67%	
Textiles	121.35+0.95%	
Metals	118.84+0.97%	
Electronics	115.57+0.06%	
Chemicals	117.84+0.54%	
Investment Cos.	121.70+1.50%	
General Bond Index	106.92+0.63%	
Index-linked Bonds	107.17+0.83%	
Fully-linked	108.07+0.74%	
Partially-linked	105.75+0.98%	
Dollar-linked Bonds	104.72+1.25%	
Short-term 0-2 yrs	104.96+0.83%	
Medium-term 2-5 yrs	107.02+0.32%	
Long-term 5+ yrs	107.47+0.59%	

<b>Turnovers:</b>		
Shares - total	NIS 31,972,000	
Arrangement	115,560,000	
Non-bank	NIS 18,386,000	
Bonds - total	NIS 12,303,500	
Commerce, Services	NIS 7,265,800	
Dollar-linked	NIS 5,041,200	
Treasury Bills	NIS 10,480,000	
<b>Share Movements:</b>		
Advances	178 (216)	
Declines	32 (68)	
of which 5%+	1 (1)	
of which 5%+	101 (61)	
of which 5%+	0 (0)	
Unchanged	107 (110)	
Trading Halt	35 (34)	
<b>Bond Market Trends:</b>		
Index-linked	Rises to 3% falls to 1%	
3% fully-linked		

<b>4.25% fully-linked</b>	Rises to 3%
<b>80% linked</b>	Rises to 2%
<b>Double-linked</b>	Rises to 3% falls to 1%
<b>Dollar-linked:</b>	
Admiral	Stable
Rimon	Falls between 3-5%
Gilboa	Falls to 3%
For. Curr. denominated	Mixed to 2%
Treasury Bills (annual yield)	21.50-21.95%

<b>Arrangement yields:</b>	
IDB ord.	17.68%
Unb. 0.1	17.81%
Discount A	17.56%
Mizrahi r.	17.53%
General A	17.53%
Leumi stock	17.56%
Fin. Trade 1	17.53%

### SELECTED PRICE QUOTATIONS

Name	Price	Volume	%
			change
<b>Commercial Banks</b>			
(not part of "arrangement")			
Martinez	1647	16468	+5.1
General non-arr.	22050	58	+1.4
First Int'l	4501	5378	—
FIH	5720	3872	—
<b>Commercial Banks</b>			
(part of "arrangement")			
IDB	87890	2312	-0.9
Union 0.1	65330	638	-1.1
Discount	11250	948	-0.7
Mizrahi	36280	3189	-0.6
Hapoelim r.	59800	6419	-0.4
General A	153100	98	-0.7
Leumi 0.1	38037	10198	—
Fin. Trade	60500	12	-0.7
<b>Mortgage Banks</b>			
Leumi Mort. r.	8780	83	-0.5
Dev. Mort.	3090	2068	+4.7
Mishkan r.	2865	88	+1.4
Tafelart	2500	234	+3.3
Mervat	7065	251	-0.1
<b>Financial Institutions</b>			
Agric. C.	no trading		
Ind. Dev. DD	no trading		
Clal Leasing 0.1	19250	38	-3.8
<b>Insurance</b>			
Ararat 0.1 r.	1470	762	—
Hasenah r.	363	4855	—
Phoenix 0.1	620	7671	+4.8
Herzliya	8950	—	+0.7
Menorah 1	2168	176	-0.1
Sahar	5500	505	+0.0
Zion Hold. 1	10250	16	+2.0

Trade & Services			
Meir Ezra	1425	3139	+1.9
Supersol 2	8970	1280	-1.1
Delek r.	4030	4391	-0.5
Lighterage	16120	54	+5.2
Gold Storage	1224	2700	—
Hotels	1576	54	-2.1
Yarden Hotel	2740	231	-2.1
Hilon 1	24350	48	-1.2
Team 1	1000	2850	-2.9
Real Estate, Building and Agriculture			
Azoric	997	8250	+1.0
Elion	578	13484	-2.0
Africa Int. 0.1	46200	322	+0.4
Dankner	5250	391	+2.3
Prop. & Bldg.	4688	4280	-0.0
Savoy 0.1	5800	690	—
ILDC r.	74850	358	+0.1
Rasor r.	8820	201	+4.5
Mehadrin	9760	2988	+4.9
Haderim	1635	10193	+5.5
Industrials			
Dubek b.	4800	1354	—
Pr-Zet 1	no trading		
Sunroof	13650	388	-2.5
Elite	18999	240	-1.3
Adgar	13828	—	—
Argaman r.	18950	88	-2.1
Delta 0.1	3802	2952	-1.5
Maquette 1	5340	888	-4.6
Engle 1	24335	212	+2.9
Polgat	4450	707	—
Schoellerline	17550	1537	+6.4
Rogovin	2862	458	+0.4
Urban 0.1 r.	7670	688	+3.2
Le Can Co.	2794	—	+0.9
Zion Cables	2320	474	+0.8
Pedlar Steel	16000	393	+4.6
Elbit	489600	34	—

<b>Elron</b>	353000	56	—
Arit	34000	78	—
Clal Electronics	2500	5154	+4.2
Spectronix 1	2640	5532	+5.6
I.A.T.	4935	528	+8.0
Ackstein 1	1010	2614	+5.1
Agan 5	17320	213	—
Alliance	2335	285	+1.1
Dexter	3051	106	+5.4
Farmers	5079	163	—
Haifa Chem.	570	31675	—
Teva r.	10840	2386	—
Dead Sea r.	4580	5362	+0.2
Petrochem	4580	4913	+0.8
NBC Chem.	7270	357	-2.0
Frutaron	14885	63	-0.1
Hadera Paper	33300	89	-0.0
Central Trade	9480	1837	+1.4
Leumi r.	912500	0	—
Clal Inds.	1880	14689	—
<b>Investment Companies</b>			
IDB Dev. r.	6660	4955	—
Elern	4580	4913	—
Arit	350	5184	-0.4
Gahelet	1573	736	+10.0
Israel Corp. 1	14020	981	-2.2
Wolfson 1 r.	126000	3	—
Hapoelim Inv.	7530	1668	-6.6
18.00 Free Period - education magazine	4270	7820	—
Mizrahi invest.	25000	78	+2.9
Clal 0.1	1182	21532	+6.5
Landeo 0.1	3880	—	—
Pama 0.1	12682	149	-1.0
<b>Oil Exploration</b>			
Paz Oil Expl.	24400	145	-0.8
J.O.E.L.	4326	1566	—

### Second Programme

6.12 Gymnastics  
6.30 Editorial Review  
6.53 Green Light - drivers' corner  
7.00 This Morning - news magazine  
8.05 Making an Issue  
8.05 House Call - with Riva Michaeli  
10.05 All Shades of the Network  
11.30 Safe Journey  
12.10 O.K. on News  
12.15 Midday - news commentary, music  
14.05 Coffee Break  
15.05 Magic Moments  
16.05 Songs and Homeview  
17.05 Economics Magazine  
18.05 Free Period - education magazine  
18.45 Today in Sport  
19.05 Today - radio newsmen  
19.35 Law and Justice Magazine  
20.05 Centennial Hit Parade  
22.05 Jazz Corner  
23.05 Night Games

### First Programme

6.00 Programmes for Olim  
7.00 Programme in Easy Hebrew  
8.05 Information for Listeners  
10.05 Hebrew songs  
11.10 School Broadcasts  
12.05 News in English  
12.05 Song and Tune  
13.05 News in English  
14.05 Children's programmes  
15.05 Education for all  
16.05 A Place in the Middle  
17.05 Everybody's University  
18.05 Jewish Traditions  
18.55 Bible Reading  
19.05 Reflections on the Portion of the Week  
19.30 Programmes for Olim  
22.05 Every Man has a Star - with astrologist Ben Pecker

### Army

6.05 University on the Air  
6.30 Open Your Eyes - songs, information  
7.07 "707" - with Alex Ansky  
8.05 Good Morning Israel  
8.05 In the Morning - with El Yisraeli  
10.05 Coffee Break  
11.05 Right Now - with Rafi Reshef  
13.05 Daily Meeting - with Orly Yaniv  
18.05 What's Doing - with Eret Iz  
18.05 Four in the Afternoon  
19.05 Evening Newsmen  
19.05 The Lavi Files  
19.05 Music  
20.05 Nostalgia  
21.00 Mabot - TV newsmen  
21.00 University on the Air  
22.05 Popular songs  
22.05 Israeli songs  
00.05 Night Birds - songs, chat

## TODAY'S ENTERTAINMENT

### TELEVISION

**EDUCATIONAL:**  
8.00 Telecast 8.02 Keep Fit 8.15 School Broadcasts 14.00 Telecast 14.03 Keep Fit 14.15 10 Famous Paintings 14.25 Making Magic 14.50 Surprise Train 15.10 Family Problems 15.15 Keep Fit 15.00 Five Mile Creek (part 10) 17.00 A New Evening - live magazine  
**SPORTS/COMEDY:**  
17.30 Alice in Wonderland  
17.55 Hippo Hey  
**ARABIC-LANGUAGE programmes:**  
18.30 News roundup  
18.35  
19.00 Religion Programme - Armenian Prayers  
19.30 News  
**ISRAELI PROGRAMMES resume at 20.00 with a news roundup**  
20.02 Allegro - music quiz  
20.50 Beauty Spot - tips on clothes and trips  
21.00 Today's News  
21.30 Three Up, Two Down - BBC comedy series, starring Angela Thorne, Michael Elphick, Lesley Anthony and Ray Burdis  
22.00 This is the Time  
22.50 Spenser: For Hire - American suspense series, starring Robert Ulrich and Avery Brooks  
23.30 News  
**JORDANIAN TV (unofficial):**  
17.30 Cartoons 18.00 French Hour 19.30 News in Hebrew 20.00 News in Arabic 20.30 No Place Like Home 21.00 Sunday 22.00 News in English 22.30 Specials

### RADIO

**VOICE OF MUSIC**  
6.52 Morning Melodies  
7.09 Geminiani: "Enchanted Forest" (Solist: Venedi Schimone); Mozart: Piano Concerto No. 9 (Brundel, St. Martin's Mariner); Haydn: String Quartet Op. 76/4, "Sunset" (Orlando); Brahms: Variations on a Theme by Haydn (London Philharmonic/Boult)  
9.00 Tribesmen: Partita for 2 Oboes, 2 Clarinets, 2 Horns and 2 Bassoons (Prague Collegium Musicum; Suk)  
9.05 symphonic poem (Prague Symphony/Valek); Schumann: Violin Concerto (Krumpholtz, Philharmonia Orchestra); Grieg: "Peer Gynt" Suite No. 1 (Hedra/Philharmonia)  
10.05 Ormandy; Reger: Quintet for Clarinet and Strings; Tchaikovsky: Symphony No. 5 (Philharmonia)  
11.05 From the Tape Shelf  
12.05 Mendelssohn: "Rings of the Cave" overture (New Philharmonia/Azoum); Chopin: Piano Concerto No. 2; Mozart: Sonata for Violin and Piano, K.35; Pleyel: Concerto Symphonique No. 5 for Flute, Oboe, Horn, Bass and Orchestra (Cologne Chamber/Muller/Bruh)

### Second Programme

15.00 "Debussy's Piano", Explanation by Aryeh Vardi  
16.00 Stuttgart Radio Symphony Orchestra under Uri Segal - Messiah: "L'Ascension"; Bruckner: Mass No. 1; Choral Competition - "Let's Sing"  
18.00 Wind Instruments Performance  
19.00 Wind Instruments Orchestra - Works by British Composers  
20.05 Musical Medley  
22.30 Israel Philharmonic Orchestra under Zubin Mehta; Alicia de Larrocha and Radu Lupu, pianos - Falla: Nights in the Gardens of Spain (De Larrocha); Schumann: Piano Concerto (Lupu); Rachmaninov: Piano Concerto No. 2 (De Larrocha)  
23.00 Beethoven's String Quartets, Part 2

### First Programme

6.00 Programmes for Olim  
7.00 Programme in Easy Hebrew  
8.05 Information for Listeners  
10.05 Hebrew songs  
11.10 School Broadcasts  
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### WHAT'S ON

Notices in this feature are charged at NIS 8.15 per line, including VAT. Insertion every day of the month costs NIS 163.30 per line, including VAT, per month.

**JERUSALEM**  
**MUSEUMS**  
**ISRAELI MUSEUM:** Exhibitions: Kufat Hinnom - treasure facing Jerusalem's walls (until 19.1); Jew of Gethsemane, Photographs and Items of Jews of Gethsemane, 1868-1870; Master of Flemish architecture and design 0. New Painting Acquisitions: Auguste Renoir, Pablo Picasso 0. Joshua Borokovsky: Mirrors, The German painter's last days 0. Fresh Paint, trends among young Israeli artists 0. Kakeimon, 400 years of Japanese Porcelain Tradition 0. Animals in Ancient Art (Rockefeller) 0. Islamic Art, architecture, arabesque, etc. 0. Ancient Glass Exhibit 0.

### WHAT'S ON

Bethlehem Embroidery, dresses and costume parts. 0. Photography in Nature 0. Art in Context, audio-visual programme 0. News in Antiquities 0. Big and Small relative sizes in life, art, and child psychology 0. Jewels of Children's Literature 0. Permanent exhibitions of Archaeology, Judaica and Ethnic Art 0. New York Now, Six New York City Artists looks 21.1.

**VISITING HOURS:** Main Museum 10-5. At 11: Guided tour of Museum in English. 3: Guided tour of Archaeology galleries in English. 5:30: Music, Poetry, Comedy, Music and Words, Book Offerings. Concert arranged by Yoav Talmi for instruments and recitations from Bach's dedications and letters.

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## Assault on the capital

WHEN THERE is trouble in Jerusalem, the government takes it up promptly at its weekly meeting.

So it was yesterday. The police minister, Haim Bar-Lev, reported on the knife night before of the two Ohayon brothers by still unknown but evidently Arab terrorist assailants in the Old City, and on police efforts to round up suspects and to keep Jewish attempts at reprisal down to a minimum. Later Mr. Bar-Lev went on radio to deplore the insufficiency of cooperation by the public, both Jewish and Arab, with the police, and to suggest that the ultimate remedy to Arab terrorism was peace.

The prime minister, Yitzhak Shamir, also sought to allay the public's anxieties by informing it that "the situation was nothing dreadful." Mr. Shamir avoided the subject of peace but, he said, "We'll make sure that such incidents do not recur."

Such assurances are no longer taken by Jerusalemites with anything but a grain of salt. Deep in their hearts the people of this city, Israel's capital, know only too well that similar incidents—eight of them have now taken place since last August—are in fact likely to recur, unless something very drastic is done, or simply happens. Typically, Mayor Teddy Kolek, visiting the Ohayon brothers in hospital Saturday night, was verbally assaulted by a crowd of angry Jews who called for retribution in kind against the Arabs—or else their expulsion from the country.

The voice behind those voices was familiar. Not willing to associate himself fully with it, a Likud super-hawk, MK Uzi Landau, yesterday proposed a twin counter-terrorist solution of his own: more Jewish settlers inside the Old City, evidently meaning inside the Moslem Quarter, and the deportation of "terrorists and their assistants" from the country. A tired old formula that has already shown itself to be useful as empty rhetoric.

What, then, short of the obvious but costly—better police surveillance—can be done to prevent such assaults and maintain peace and tranquillity in the City of Peace until peace comes?

One thing is certain. Terrorizing the Arabs of East Jerusalem will have the opposite of the desired effect. Many, perhaps most, of them prefer working and doing business in an atmosphere of quiet. Treating them as even potential enemies—because, say, they are indifferent to the plight of Jews—will only push them into the arms of the local independent terrorists, who would like nothing better than to show the whole wide world that united Jerusalem cannot be regarded as Israel's proper capital.

To be sure, in some parts of the world, wholesale repression works. Even there, it does not always work very long. The Soviets, who have few compunctions about the usages of brutality, have been apprised of its limitations in Afghanistan. That it can be made to work in Jerusalem, of all cities, and by Jews, of all people, is a phantasm.

One day, it must be hoped, peace will come to Israel, and to Jerusalem as well. Peace is indeed the only ultimate remedy: but it is not a cure-all. There is no state of war between Britain and Ireland, yet witness Ulster. For the moment, the most crucial question overhanging Jerusalem is whether the Arab states can ever be induced to accept—or leave—it in peace under undivided Israeli sovereignty.

In even the best of circumstances, they will not be so induced unless decent respect is also paid to the legitimate rights and interests of the local Palestinians.

The creation of "facts on the ground" through Jewish settlement that pushes the Arabs around and out—whether in the West Bank or in Jerusalem—is of course the daily sop of rightist ideology. But it is also a prescription for endless war, whether big or small.

## Stopping the spoilers

IF THE Jerusalem branch of Herut reflects the party's thinking nationwide—and there is little reason to believe it does not—then the country is in for a massive covert bid by Labour's chief partner in governance to pack the Civil Service with Herut appointees, throwing legal restrictions and prohibitions to the wind.

Three meetings by the executive of the Jerusalem branch last month yielded a broad consensus that Menachem Begin's commitment, as premier, to the integrity of the apolitical Civil Service was *passé* and must be junked; that the maximum feasible Herutization of the Civil Service was the order of the day, and that the party's national leaders must lend all possible assistance in pushing the programme through in order to assure the continued ascendancy of the national viewpoint in the state. A follow-up committee was appointed.

The plot may, however, yet fall through, simply because it has been exposed—by an enterprising reporter in the Jerusalem weekly *Kol Ha'ir* last Friday.

The reporter produced direct quotations from the protocols of the meetings—which were expected to remain secret, of course—quotations which boggle the mind. Herut's power-hungry operatives are shown to be taking their cue knowingly from the very same Mapai apparatchiks whom they had once abused and vilified as the country's greatest misfortune. The reader is left to wonder what Herut's semi-victors in the last election would have made of the spoils of the government machinery had they come out the real winners.

The record also shows one Herut leader, MK Dan Meridor, manfully resisting the counsel for the power grabbers, telling them that too few jobs are available for political appointees, and the list should be expanded. That is a suggestion worth examining. But what Herut is evidently after is not a minor change, but the total destruction of the system even if by subterfuge.

This must not be allowed to happen. A first step to prevent it should be the sacking of the senior assistant to the Civil Service Commissioner who, of all people, organized last month's meetings.

## REPORT SUSPICIOUS OBJECTS

# No leaders, no growth

Yosef Goell

I RESPECT people who speak with an air of authority on complex subjects. Because I don't fully comprehend many things myself. I often stand in awe of people who seem to understand it all. It usually takes three or four tries before I catch my heroes mouthing total inanities, or transparent lies and for my credulity to turn into total disbelief. I have this strange additional weakness of wanting my all-wise leaders to tell me the truth, or at least, not too-transparent fairy tales.

Take the umpteenth attempt at economic reform that has taken place during the past few weeks. The moment I heard that its purpose was the spurring of the stagnant economy into a new surge of growth, my basic disbelief went into high gear. The explanation for this admittedly uncharitable attitude is that I happen to remember then prime minister Shimon Peres, in announcing the economic programme of July 1985, speak of the critical goal of economic growth which was to immediately follow the attainment of the primary goal of staunching the 800 per cent inflation.

Peres deserves high marks for his political performance in the fight against hyperinflation, which it should be remembered, was not an act of God, but the cumulative result of more than a decade of irresponsible performances by our political leaders. Leaders of both major parties took part, it should be added, with the admirable assistance of Messrs. Shlomo Lorincz and Avraham Shapira of our third major party, Agudat Yisrael.

Possibly even higher marks in that fight should be awarded to Histadrut Secretary-General Yisrael Kessar, for agreeing to an across-the-board, albeit temporary, reduction in the real incomes of the vast majority of the country's families. Even greater thanks are due to U.S. Secretary of State George Shultz, who gave an additional \$1.5 billion, with no questions asked. That additional money made the miraculous triumph over inflation possible, by postponing our need to deal with the even more menacing threat of the hemorrhag-

ing of our foreign currency reserves. When it comes to economic growth, however, Shimon Peres deserves to be sent packing, to spend his remaining years writing his memoirs of his youthful contacts with Berl Katznelson. It would be hard to find a greater contrast between Peres's performance on the anti-inflationary front, and his and the rest of the political community's abject failure to do anything significant to spur economic growth. Instead, they frittered away the public's readiness to sacrifice for the public good, that was evinced in the summer of 1985 in the fight against inflation.

NOT ONLY has the 12-year period of economic stagnation shown no sign of ending during the two years since the fight against hyperinflation was won, but the foreign trade deficit has once again begun to increase perilously, despite the munificent injection of \$1.5 billion from the U.S. The decade-and-a-half-long process of private enrichment and public impoverishment continues apace.

Ever since Yigael Hurwitz was minister of finance, we have been told that the key to renewed economic growth was the drastic cutting of the government budget. Without wishing to argue the validity of that thesis at the present time, the fact remains that the people who have been pressing that approach for the past seven years have failed to carry it out. The present bunch are no better at cutting the budget than the "economic leadership" in governments of the previous decade.

Having failed to reduce the budget, our government "economic leaders" have now come up with a new theory. In the economic reform policy floated by Finance Minister Moshe Nissim, his Treasury aides and political confederates, we are now being offered a more elegantly veiled version of the late Simha

Ehrlich's policy of 19th century robber baron, capitalist "economic liberalism."

The new theory has little, if anything, to do with spurring economic growth. Its intellectual underpinnings go by the name of the trickle-down theory. The assumption is that if the system stokes the greed of the most greedy among us, their heightened motivation and economic activity will spur economic growth whose benefits will eventually trickle down to the rest of the population, rebounding to the good of the entire economy.

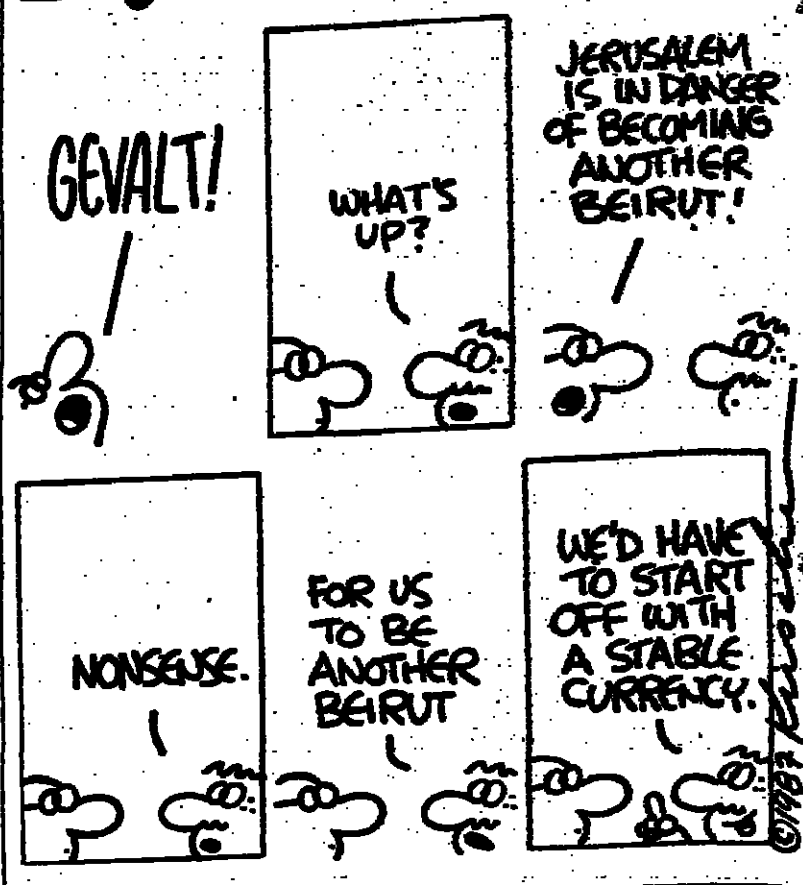
IN MY HEART, I find it hard to accept that encouraging private greed is the only way to attain a healthy economy. But in light of Samson's riddle of "from the strong came forth sweetness," I am prepared to maintain an open mind in the matter. Who knows, maybe human nature and the economic world do work that way.

However, our own experience of the past decade and more has shown the truth to lie in the opposite direction. It has been a period of economic stagnation that has also been marked by an unprecedented satisfying of the appetites of those at the top. Never before has there been a period in which so many individuals have enriched themselves at the expense of the public purse and the impoverishment of our public institutions and services. And that private enrichment has not trickled down very far.

In this period, a whole new upper stratum of Israelis has emerged that views itself in the image of the Ivan Boesky's of the U.S. and believes that it has a God-given right to live in an Israeli version of Park Avenue or Scarsdale.

Ernest Japhet is not unique. He is the tip of an iceberg representing thousands of Israel's nouveaux riches. Five million dollars in severance pay, and \$30,000 a month in pension is a shock. How, then, should one react to the many hundreds who are earning \$100,000 a year or more, in a Jewish Israel that claims that it can-

## Dry Bones



not afford to educate its children, heal its sick and succour its aged?

The real trouble is, that despite the outcry of the past week over Japhet's behaviour and the collusion of the Bank Leumi board, leading elements in our political establishment seem to believe that the country's economic future can be guaranteed only if the unlimited personal ambitions of this new social stratum are fulfilled. Is there any other meaning one can give to Shamir's and Peres's intervention against the resignation of the Bank Leumi board last week, and their earlier opposition to the implementation of the Bejski Commission report?

The Peres-Nissim economic policy will not lead to economic growth. Since 1988 will be an election year, this means that there will be no significant change in the stagnation of our economy for the better part of

the next two years. This is a very dangerous state of affairs, for it is highly unlikely that the miracle of Shultz's \$1.5 billion will recur.

Any real preparations for economic growth and for a real reform of the many moribund parts of our economy and social institutions must first occur in the political arena. Both major parties have shown themselves to be feeble when it comes to evincing real leadership in bringing about change. What we need as a precondition for the rejuvenation of our economy and society are leaders capable of winning the enthusiastic support of the people by telling them the truth. The real struggle has to come in a realignment of the political party system and in the emergence of proper leadership.

The writer is a member of the editorial staff of The Jerusalem Post.

## READERS' LETTERS

### SHARANSKY INTERVIEW

To the Editor of The Jerusalem Post

Sir, — On December 5, you published an interview with Anatoly Sharansky by your correspondent Louis Rapoport. This article damaged my reputation by stating that *Ma'ariv* had published "a totally distorted version of the story" about Sharansky's meeting with a leading PLO supporter on the West Bank. Although I wrote the November 12 *Ma'ariv* account, at no time did Louis Rapoport talk to me or attempt to get my response to the allegations of distortion which he made, and which he attributes to Sharansky.

In the most serious issue arising out of his report, Rapoport insisted that I was aware of Sharansky's meeting even before it took place: "After Sharansky consented (to the meeting) Abu Raya (the person who arranged the meeting) asked if he could also bring along a *Ma'ariv* journalist."

It is completely untrue that I was ever invited to or informed about this meeting prior to my receiving a tip-off from a Palestinian source a day after it took place that Sharansky had met Palestinians.

I managed to reach Anatoly Sharansky at a public telephone at Migav Ladach hospital in Jerusalem (where his wife had just given birth). Sharansky mentioned to me that he had met Faisal Hussein, considered to be the most prominent personality among the pro-PLO supporters on the West Bank, and only then did I realize the importance of the story.

Anybody who knows me and my work knows that if I had had prior knowledge about this meeting, I would not have waited until 48 hours after it had taken place in order to report it.

Thus the headline in *Ma'ariv* was entirely accurate in saying: "Arafat supporters met Sharansky secretly. They tried to recruit him to the struggle against the deportation of the editor of *A-Sha'ab*, Akram Haniye."

As stated in my news item, none of the parties who participated in the meeting made it public knowledge. Each side had its own motives.

In the first paragraph of my *Ma'ariv* account, I emphasized Sharansky's opposition to the way of terror and the violent struggle espoused by the PLO, as Sharansky requested.

Moreover, Sharansky's comments in my news item are exact quotations translated from the Hebrew of the telephone conversation between Sharansky and myself.

In the telephone conversation Sharansky said: "I have many disagreements with the people who came to talk to me. For me, Yasser Arafat is qualified even if he is viewed by others as a moderate. I am against violence and terror, and he expressed support two weeks ago for the attack by the Western Wall."

Sharansky continued: "I do not know Akram Haniye. Based on what they told me and from what I heard, I understand that he is a moderate person. However, I must learn about the issue more thoroughly before I take a stand. They also spoke with me about a series of legal problems of which I did not know."

Rapoport also preferred to ignore another paragraph from my news item reporting previous meetings with Sharansky and PLO supporters in the territories.

Although Rapoport referred to Abu Raya as a journalist, the truth is he translates articles from the Hebrew press into Arabic for private

institutions on the West Bank. I only met Abu Raya once prior to writing the Sharansky news item; that was on the night of the terrorist attack near the Western Wall when Abu Raya came to my office to pick up an article of mine which he wanted to translate.

A few days before the Sharansky meeting, he called me and asked if I had Sharansky's home telephone number. I told him that I did not cover Sharansky and I did not have his telephone number.

In *The Post* article, it is at times difficult to differentiate between what Sharansky is actually quoted as having said and what Louis Rapoport attributes to him indirectly. But it is important to note that following my November 12 news item, until Rapoport's December 5 report, and even subsequently, Sharansky did not find it necessary to complain to *Ma'ariv* or to respond to my article.

AVINOAM BAR-YOSEF

Tel Aviv.

Louis Rapoport comments: I did not write or imply that the reporter was Mr. Bar-Yosef. But I concede that I should have first checked with him in any case.

### JOINT BEIT DIN

To the Editor of The Jerusalem Post  
Sir, — In *The Jerusalem Post* of January 7, I was incorrectly quoted as having said that Rabbi Milton Polin, President of the Rabbinical Council of America, was in favour of a joint Beit Din comprised of Orthodox, Conservative and Reform rabbis. I made no such statement.

At the press conference, it was stated that the RCA has officially opposed putting the issue of "Who is a Jew" to a vote in the Knesset. I did say that I personally was in favour of such a Beit Din and that our worldwide movement had long advocated removing the subject of "Who is a Jew" from the table of the Knesset and placing it where it belongs — on the table for negotiation among the major religious movements.

We do not ask for any prior commitment before meetings with our Orthodox colleagues take place. We believe that the issue should be discussed by religious leaders themselves, and not in the context of the Knesset, which necessarily leads to politicization of religion and a re-politicization of politics.

Rabbi RICHARD G. HIRSCH

World Union for Progressive Judaism  
Jerusalem.

### SUMMER TIME COMING UP

To the Editor of The Jerusalem Post  
Sir, — It was said of a famous British politician that if he fell into the river, it would be a calamity. If somebody pulled him out again, it would be a catastrophe.

Rabbi Peretz carefully dug a deep hole for himself and inevitably fell into it. Let him nurse the difference between his private conscience and

his public duty, rather than lend himself to some further convoluted mockery of the political system.

Besides, we can do with a change of dramatic personae for the annual pantomime about summer time which is doubtless now being rehearsed in the Ministry of Interior.

J.J. CHERNS

Hod Hasharon.

### WONDERFUL CARE

To the Editor of The Jerusalem Post  
Sir, — While on a pilgrimage in the Holy Land and touring a Beduin camp with a group that I led, a fellow traveller, Mrs. Mary Bates from Ohio, fell and broke her hip which made surgery necessary. I took her to the Al Makased Hospital on the Mt. of Olives in Jerusalem to have this taken care of.

What wonderful people we met

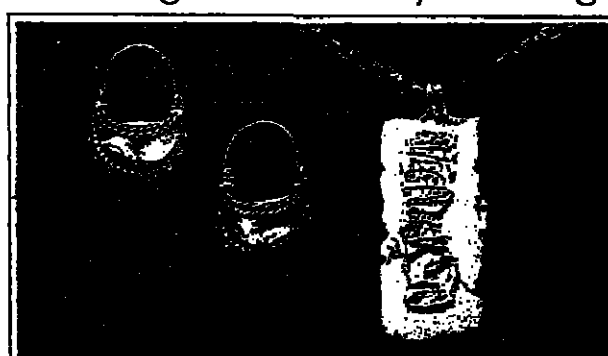
there! What wonderful care was given to her. The professional staff were great. The friends I made in Israel were truly magnificent in visiting and showing kindness to Mrs. Bates.

A.J. JOHNSON, Pastor  
Roxford United Methodist Church  
Dennison, Ohio.



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